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HOUSE OF COMMONS DEBATES

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SECOND SESSION—TWENTY SEVENTH PARLIAMENT

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COMPRISING THE PERIOD FROM THE TWENTY THIRD DAY OF NOVEMBER, 1967,
TO THE TWENTY FIRST DAY OF DECEMBER, 1967, INCLUSIVE

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HOUSE OF COMMONS

Thursday, November 23, 1967

The house met at 2.30 p.m.

PRIVILEGE

[*Translation*]

MR. GRÉGOIRE—SPEECH BY TRANSPORT MINISTER AT AIRPORT CEREMONY

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege arising out of certain words the Minister of Transport (Mr. Hellyer), who is now taking his seat, uttered two days ago at the opening of the Bagotville airport. On this occasion, he attempted deliberately or otherwise to mislead the population of Saguenay-Lac-Saint-Jean as well as some members of this house. These words were that:

> Paul Hellyer finally paid tribute to the hon. member for Chicoutimi in the House of Commons, Mr. Paul Langlois who was the main mover of this magnificent achievement—

He was speaking of the Bagotville airport.

Now, Mr. Speaker, the facts prove otherwise. Maurice Côté, member for Chicoutimi at the time, and I, between 1963 and 1965 have exchanged correspondence and raised the question several times in the house, so that on May 19, 1965 the then minister of transport, Mr. Pickersgill, said then that he estimated an expenditure of $300,000 for the new Bagotville airport and of $175,000 for the facilities, and that tenders would be called the following September, that is in September 1965, before Mr. Langlois was even elected.

Mr. Speaker: Order. I must interrupt the hon. member. When he gave me notice of his question of privilege, I had then expressed some reservations. I must now inform him formally that there is no question of privilege in the point he has just raised.

A member cannot rise on a question of privilege in the house about a statement made outside the house in such circumstances. The hon. member may have a legitimate grievance against the minister, but I do not feel there is a question of privilege.

Mr. Grégoire: Mr. Speaker, my question of privilege is to the effect that the statements of two ministers are contradictory.

Mr. Speaker: Unfortunately, I do not think this is a question of privilege.

Mr. Grégoire: Mr. Speaker, if it is not a question of privilege, it is intellectual dishonesty on the part of a minister.

[*English*]

EXTERNAL AFFAIRS

CYPRUS—INQUIRY AS TO PROPOSALS FOR SETTLEMENT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wonder whether the Acting Prime Minister could disclose to the house what practical proposals he and his government are making toward a solution of the crisis on the island of Cyprus.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure my hon. friend will appreciate that when negotiations are under way it is not always desirable to give with precision the response sought in his question. But I should like to say, to the extent that it is possible to deal with this matter now, the house will recall I stated last week that before the outbreak of fighting at Ayios Theodoros in Cyprus, Canada had been developing certain proposals for early action through the United Nations security council—designed to enable the UN and its special representative in Cyprus to act effectively to preserve peace on the island.

Since Sunday night we have been involved in a series of contacts in Ankara, Athens, Nicosia, London, Ottawa and Washington, together with representatives of the United States and the United Kingdom, designed to assist in clarifying the positions and proposals of the two main parties to one another so there is no misunderstanding of a kind which could produce a catastrophe, and so that each may consider the ideas of the other with a view to evolving a compromise which is being sought at this very moment.

As the public statements of the parties have indicated, the points at issue with which the Canadian approaches have been concerned—and this deals directly with my hon. friend's question—include such topics as

the presence of both Greek and Turkish forces on the island, the extensive military preparations that have been made by Turkey, and the question of the kind of role the United Nations could play within Cyprus to assist the authorities of that island and help bring about peaceful conditions.

The purpose of the consultations is also to see if there is any basis for moving from a solution of the immediate crisis which is before us toward some more large scale solution of the basic issues at a later stage. We are examining this together with the nature of the role of the United Nations at the present time in Cyprus. Consultations that we have had, which I referred to yesterday, in Ankara and in Greece have not yet revealed any agreement, but these contacts are continuing.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. I would ask the Secretary of State for External Affairs whether the proposals that are being discussed include enlarging the mandate of the UN contingents and enlarging the force so as to make it possible to prevent either side sending to Cyprus further troops and war material.

Mr. Martin (Essex East): That particular suggestion is not part of the effort that Canada has been undertaking.

Hon. Gordon Churchill (Winnipeg South Centre): A supplementary question, Mr. Speaker. The Acting Prime Minister has outlined a three point program and the Prime Minister over in London has outlined a five point program. Is it correct that the Prime Minister is acting as an intermediary on behalf of Turkey and that the five point program is the Turkish one?

Mr. Martin (Essex East): Mr. Speaker, there is no difference between what the Prime Minister is seeking to do and what is being done in Ottawa and elsewhere. I am very grateful, as I am sure the house is, that the Prime Minister is in London discussing this matter with one of the principal countries concerned.

HEALTH AND WELFARE

MEDICARE—REQUEST FOR REASSURANCE AS TO STARTING DATE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Acting Prime Minister. Since the Minister of Finance has now had ample opportunity to report to his cabinet colleagues regarding his discussions with the provincial ministers of finance here in Ottawa last week, can the Acting Prime Minister assure the house that it is the government's intention to proceed with medicare on July 1, 1968, in any province which has indicated its willingness to proceed and qualifies under the legislation?

Hon. Paul Martin (Secretary of State for External Affairs): I would refer my hon. friend to what the Prime Minister said in the house on November 14 in answer to questions put by the hon. member for Winnipeg North Centre; what he said on November 13 in answer to a question by the hon. member for Churchill, and what he said on October 25, 1967 in answer to a question by the hon. member for Ontario. The question put by the hon. member for Ontario was as follows:

> Mr. Speaker, I wish to address a question to the right hon. Prime Minister. In view of reports in the last week or so regarding the starting date of medicare which have created in the minds of the people of this country uncertainty, turmoil and doubt, will the Prime Minister issue a statement or assure those interested that no change is contemplated in the original plan to put medicare into effect on July 1, 1968?

The Prime Minister replied:

> The hon. gentleman should not be disturbed by such reports.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I wonder whether the Acting Prime Minister would want to revert to motions.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. My point of order is that all answers by the Secretary of State for External Affairs should be made as statements on motions and not be given during the question period.

Mr. Martin (Essex East): There is a very easy way of disposing of that problem. My hon. friend does not need to ask any questions.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Then finally—

Mr. Speaker: Order, please. I thought the Acting Prime Minister had answered the question.

Mr. Martin (Essex East): That is exactly what I am doing, Mr. Speaker. I am repeating what is the position of the government. The hon. member for Ontario then said:

Then I shall put the direct question, Mr. Speaker, I should like to ask the Prime Minister whether medicare is to start on July 1, 1968.

To which the Prime Minister replied:

Mr. Speaker, that is so under the law and the legislation we passed, in which no change has been made.

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the statements the Acting Prime Minister has just quoted were all made prior to this matter being submitted by the Minister of Finance to his cabinet colleagues following the federal-provincial conference of finance ministers last week, may I ask the Acting Prime Minister whether there has been any change in the government's position since these statements were made, and whether we may take it that the government intends to proceed with medicare on July 1, 1968.

Mr. Martin (Essex East): The Prime Minister's statement certainly answers that question.

Mr. A. D. Hales (Wellington South): I have a supplementary question for the Minister of Finance. Would he care to advise the house as to the number of representations he has received asking him to postpone medicare?

Mr. Speaker: Order. I do not think this question is in order.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a supplementary question to the Minister of Finance? Could he tell us whether the federal government is considering a fiscal compensation for the provinces which will not benefit or will not want to benefit from the medicare plan as from July 1?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker, there is no provision for any such payments.

Mr. G. L. Chatterton (Esquimalt-Saanich): I have a supplementary question for the Minister of Finance. Will the method whereby the cost of medicare will be raised be contained in the mini budget which is to be presented early next week?

Mr. Sharp: Until we know which provinces are going to take advantage of the legislation it would be impossible to make an estimate of the amount of revenue needed. Therefore I do not contemplate making any provision in the statement I shall be making next week.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I put a further supplementary question to the Minister of Finance? If there is no question of a fiscal compensation, could the minister tell us whether the federal government will grant any compensation to the provinces which do not have at present the financial means to participate in the medicare plan?

[*English*]

Mr. Sharp: Mr. Speaker, at the present time the federal government has the most generous system of equalization payments this country has ever known to support the position of the provinces, including the province of Quebec.

[*Translation*]

EXPO '67

INQUIRY AS TO INSPECTION OF FOOD

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the hon. Minister of National Health and Welfare. Could the minister tell the house whether the food, and particularly the meat sold and eaten at Expo '67, was checked by officers of his department and whether other people besides the inspectors of his department were allowed to use inspection stamp No. 110?

Mr. Speaker: I suggest to the hon. member that he should put this question on the order paper.

[*English*]

SHIPPING

MONTREAL—INQUIRY AS TO FEDERAL INTERVENTION IN DISPUTE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): I have a question for the Minister of Labour. Since the slowdown in the St. Lawrence ports is now being felt all the way back to British Columbia, can he report on the situation there today?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I must regretfully advise the house that the situation on the Montreal

docks is not good. As I think hon. members know, efforts have been made over a period of months in 1966 and 1967 to bring about a better understanding between the parties. These activities have taken place before and since the Picard commission.

There is no authority under which the Minister of Labour can intervene in cases of this kind. The parties must learn that they should try to work out their own differences. Frankly it is becoming much too common for the parties to collective bargaining arrangements to turn to government for an imposed solution. The act places the responsibility on the parties to try to work out solutions for their differences.

Hon. Michael Starr (Ontario): May I ask a supplementary question. In view of the lack of agreement on the interpretation of the Picard report as between the ship owners and the unions involved, which according to the Minister of Labour brought about the present chaotic condition—

Mr. Nicholson: On a question of privilege, Mr. Speaker, I did not say conditions were chaotic.

Mr. Starr: —will the Minister of Labour assume the responsibility, in the national interest, of convening a meeting of spokesmen for both sides in Ottawa at once in order to arrive at agreement on this report?

Mr. Nicholson: At I reported to the house yesterday, I have discussed this matter at length with one side last Friday and offered to do so with the other. Officers of my department have discussed it with that other party. It has even been suggested that if there is ambiguity in one or two passages of the Picard report or at least arising out of the fact that the Picard report supplements and amends the existing agreement, that Dr. Picard himself might be asked to clarify ambiguities. One of the parties, the unions, will not accept that suggestion. They say Dr. Picard is *functus officio* and they stand on the agreement.

Under the agreements, there is a grievance procedure and there is provision for arbitration. The parties have their rights, but they have not attempted to exercise them in the manner agreed upon. They are looking to the government to impose a solution. I think it is about time they learned they must work out their own solutions.

Mr. Starr: Will the minister use the stature and importance of his office and summon both parties to Ottawa at once in order to help mediate an agreement on the understanding of the Picard report?

Mr. Nicholson: No, Mr. Speaker.

Mr. Johnston: My supplementary question is to the Minister of Labour. Have some steamship companies placed a 25 per cent freight rate surcharge on St. Lawrence port shipments?

Mr. Nicholson: That is my understanding, Mr. Speaker.

Mr. Warren Allmand (Notre-Dame-de-Grâce): May I ask a supplementary question. Since one of the principal points of dispute seems to relate to the hiring of longshoremen through the hiring hall, will the minister state whether there have been any new proposals to settle this aspect of the problem?

Mr. Nicholson: This is not a practical possibility at the present time, Mr. Speaker, and has not been in the past. It is a well known fact that the stevedoring companies, not only in Montreal but in other Canadian ocean ports, are hired by the shipping companies to load and unload ships. They pay the bill, and in the long run they are the ones who are going to call the tune.

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I have a supplementary question for the minister. I welcome his admonishment to the two sides involved, but if I may be a little more serious may I ask the minister whether he would broaden his remarks and caution the parties involved to expedite whatever moves they are going to make before this difficulty begins to affect other already severely crippled ports such as Halifax and Saint John?

Mr. Nicholson: Mr. Speaker, I ask hon. members to take my assurance that the minister has admonished both sides and encouraged them to take co-operative action in this difficult situation.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, a supplementary question. Could the minister inform the house whether the crisis that is affecting the port of Montreal has extended to the ports of Trois-Rivières and Quebec?

Mr. Nicholson: My understanding is that it is confined to certain of the piers at Montreal, not other ports.

Inquiries of the Ministry

EXTERNAL AFFAIRS

BURMA—REPORTED DETENTION OF CANADIANS IN JAIL

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the Secretary of State for External Affairs which I hope is not going to impose upon the house another marathon talkfest. I should like to ask the minister about the welfare of two young Canadians who are reported to have been detained in a Rangoon jail and kept incommunicado for five months. Is this report correct? If so what is the present position, and what assistance is the minister's department giving?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the department was notified on October 26 by the British embassy in Rangoon that Messrs. Lalonde and Pineault had been arrested in Rangoon. The department has not yet been informed of the outcome of the hearing which took place a short time ago. However, an officer from our high commissioner's office in Kuala Lumpur is now in Rangoon and will be looking into the matter. We have done everything we can and will continue to do everything we can.

Mr. Fulton: Mr. Speaker, I have a supplementary question. Did the department receive from the parents of one of the young men in question the payment of a substantial sum to cover his passage home? If so, has this matter been acknowledged?

Mr. Martin (Essex East): This matter is now being discussed.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): As a former minister of justice the hon. member should know that it must be discussed with those *in loco parentis*. This is the procedure which is laid down. The matter must be discussed with the parents and it is now being discussed. No one should understand that better than one who was a former minister of justice.

Mr. Fulton: Mr. Speaker, my inquiry is this. Did the department receive from the parents a substantial sum, and has that sum been acknowledged?

NOVA SCOTIA

DISCUSSIONS RESPECTING CONTINUED OPERATION OF STEEL PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Acting Prime Minister, and with your permission may I emphasize the "acting". I should like to ask the minister whether the government has undertaken any negotiations with the province of Nova Scotia respecting the Sydney steel operation.

Hon. Allan J. MaEachen (Minister of National Health and Welfare): Mr. Speaker, I would be glad to answer that question for the Acting Prime Minister. The government has been in close touch with the government of Nova Scotia since this crisis developed. Yesterday the premier of Nova Scotia sent a communication to the Prime Minister indicating certain terms of settlement and arrangements that had been made between the government of Nova Scotia and the Dosco corporation. In the same communication he suggested that he would like to be in discussion with the Prime Minister, after the returns from London, about these matters. I would conclude, Mr. Speaker, that this whole matter will be the subject of discussion between the premier of Nova Scotia and the Prime Minister in the light of the agreement that has been reached.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Minister of National Health and Welfare whether the federal government, at this time or at some time throughout these discussions, has given the government of Nova Scotia the assurance that the federal government will be prepared to accept a substantial part of the financial commitment that will be necessary to keep this plant open.

Mr. MacEachen: An assurance was given to the government of Nova Scotia with respect to a particular period of operation. I would conclude that any further period would be a matter for discussion.

Mr. MacInnis (Cape Breton South): A supplementary question, Mr. Speaker. It has now been established beyond a doubt that Nova Scotian members can put questions about Nova Scotia to the minister who comes from Nova Scotia, even though the subject matter of those questions may fall outside the purview of his department. I wish to ask the minister if he intends to impress on his colleagues that the federal government

should play a part in this matter through the Cape Breton Development Corporation.

Mr. MacEachen: Mr. Speaker, I doubt whether I should undertake to answer this question on behalf of the Acting Prime Minister. While I do not object to answering questions affecting the province of Nova Scotia, I wish to contest the point of order that is implicit in the hon. member's comments. I may do that at a later time. For the moment I wish to tell him that all the matters which have been the subject of discussion within the house with respect to the role of the Atlantic Development Board and the Cape Breton Development Corporation have been drawn to the attention of my colleagues, and they are under discussion.

Mr. MacInnis (Cape Breton South): A further supplementary question, Mr. Speaker. I wish to get to the bottom of the minister's answer. I asked whether the minister intends to continue to advocate the takeover by the Cape Breton Development Corporation. He has already advocated that in this house.

Mr. MacEachen: Mr. Speaker, I have made no such advocacy in this house or elsewhere.

[*Later:*]

Mr. MacInnis (Cape Breton South): I rise on a question of privilege arising from the answer of the Minister of National Health and Welfare. I referred to the Cape Breton Development Corporation, and the minister made some remarks about the possibility of assisting Nova Scotia in the steel crisis. Though I recall other remarks, Mr. Speaker, for the moment I have only briefly and quickly checked *Hansard,* and I draw to the attention of the minister his remarks on the matter on October 16, 1967, to be found on page 3158 of *Hansard,* the right hand column. The minister made a statement there about the Cape Breton Development Corporation.

Mr. Speaker: Order, please. Can the hon. member state his question of privilege? Many hon. members, I note, wish to ask questions and we are quickly running out of time for the question period.

Mr. MacInnis (Cape Breton South): My question of privilege arises from a statement by the minister in which he definitely denied something I said. In connection with my question of privilege I should like to quote the minister's own words in proof of my statement.

[Mr. MacInnis (Cape Breton South).]

Mr. Speaker: This is surely just a matter of debate. Every day of the year, I suggest to hon. members, allegations are made and statements are denied. This is strictly a question of debate; to my mind it cannot be a question of privilege. I cannot see how the hon. member's privileges have been affected by the statement of the minister.

Mr. MacInnis (Cape Breton South): With all due respect to Your Honour, all members are aware of the fact that when a question of privilege arises it must be brought up immediately. I wish only to quote the minister's own words to back up the statement I have made.

Mr. Speaker: I have no objection. It is the hon. members' time which is being taken up in this way.

Mr. Knowles: Our time.

Mr. MacInnis (Cape Breton South): The minister's own words, as they are to be found on page 3158 of *Hansard,* are as follows:

> The corporation has the authority by law and will be in the position very soon to determine what it is going to do in relation to the Cape Breton steel problem. This corporation has very wide powers, powers wide enough to achieve the objective recommended by members of the N.D.P., if the directors desire to do so.

Mr. MacEachen: On the question of privilege, I do not see any inconsistency between that statement and the response I gave today. What I was doing was outlining the legal powers which I thought the corporation possessed. It was a matter of law. What the hon. member is concerned about is a matter of policy.

Mr. MacInnis (Cape Breton South): This is the only one I had the opportunity to find at the moment, but there have been others.

Mr. Muir (Cape Breton North and Victoria): I should like to say a word on the question of privilege—

Mr. Speaker: I rule that there is no question of privilege. This is obviously a matter for debate, and I think it is not entirely fair to hon. members who appear to have a question of some moment to ask in the four or five minutes remaining in the question period that they should be deprived of the opportunity to ask those questions.

Mr. Robert Muir (Cape Breton North and Victoria): This is a new question of privilege. I rise at this time to suggest to you, sir, that the Minister of National Health and Welfare

has either misled the house today or else he misled the house during the debate on the Cape Breton Development Corporation. I should like to explain why I think this to be the case.

Along with members of the New Democratic party I advocated the takeover of Sydney Steel by the Cape Breton Development Corporation. We pressed the matter in this chamber, and on that occasion the statement was made, not only by the Minister of National Health and Welfare but by the Minister of Energy, Mines and Resources, that the legislation was broad enough to cover almost any contingency, including the takeover of Cape Breton steel. I hear the hon. member for Burnaby-Richmond say "That is right". He has a better memory, I think, than has the Minister of National Health and Welfare. In those circumstances the onus is upon the minister to clarify the situation. Either he misled the house today or he did so a few weeks ago when we discussed this important item. The Minister of Energy, Mines and Resources said the legislation was broad enough to cover anything, even the objective desired by the hon. member for Cape Breton—

Mr. Speaker: Order.

Mr. Muir (Cape Breton North and Victoria): I think we should hear from the Minister of National Health and Welfare with regard to this matter.

Mr. MacEachen: I do not wish to pursue this question very far, because there is no question of privilege and there is no inconsistency between the position I am taking today and the one I took on the bill. When hon. members opposite, including members of the N.D.P., were arguing that the Cape Breton Development Corporation should own and operate this mill I said I agreed this was a capability and a possibility under that law. That is true; no one disputes it. I have also said that I do not regard this as an appropriate function of the corporation.

Some hon. Members: Hear, hear.

Mr. Speaker: I am sure the exchange which has taken place between the hon. members and the minister has established the correctness of the ruling I made earlier, that there was no question of privilege. I will not take the time of members by reading citation 113 of Beauchesne's fourth edition, except perhaps for the first sentence. No; I will not even read the first sentence.

Inquiries of the Ministry

FINANCE

RECOMMENDATION THAT PENSIONS AND ALLOWANCES BE TAXED

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Finance, Mr. Speaker. Has the minister or any member of the government received representations from the Royal Canadian Legion or other veterans organizations strongly protesting the recommendations of the Carter commission that pensions and allowances under the Pension Act become taxable? If so, what was the response?

Mr. Speaker: Order, please. I do not think that question is in order at this time.

HOUSING

INQUIRY AS TO MUNICIPAL REPRESENTATION AT CONFERENCE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Labour in his capacity as the minister responsible for Central Mortgage and Housing Corporation. I wish to ask whether the province of Ontario or any other province has indicated that it will bring representatives of municipalities to the federal-provincial conference on housing.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I shall have to inquire about what is to be done by the province of Ontario. With respect to the province where I live, I can say definitely that they will have the president of the union of British Columbia municipalities as a member of their delegation. I shall need to make inquiries about the intentions of other provinces.

AGRICULTURE

EFFECT OF CURRENCY DEVALUATION ON EXPORTS TO U.K.

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a question to the Minister of Agriculture and ask him whether now or at an early date, preferably now, he can report to the house on the probable effects of the devaluation of the pound on our agricultural products other than wheat. I exempt wheat at this time because the Acting Minister of Trade and Commerce gave a preliminary report in that regard.

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, a detailed answer to such a question can hardly be made during orders of the day. Generally speaking, though, we envisage that there will be a more difficult competitive position for Canadian producers with regard to the more highly processed and finished products of agriculture by reason of the greater competition from other countries, such as Denmark and New Zealand, which have also devalued their currency, as well as from the greater production which no doubt will take place in the United Kingdom.

With respect to most raw agricultural products we anticipate at the present time that there will be no great effect on Canadian exports. With respect to wheat, inasmuch as no other exporting country of hard wheat has devalued its currency I should not think our competitive position will be hurt. Nevertheless, there will be greater productivity of soft wheat in the United Kingdom and quite possibly there will be greater use of soft wheat than now is the case.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does the minister contemplate taking any action with regard to agricultural products that he considers it probable will be adversely affected?

Mr. Greene: At the present time, Mr. Speaker, my department is studying the situation and attempting to keep abreast of it. If it appears that the Canadian producer will be badly affected in any area we shall embark on negotiations with the British to see if the position may be alleviated.

Mr. W. B. Nesbitt (Oxford): A supplementary question, Mr. Speaker. Since the minister gave the Leader of the Opposition such a refreshing answer, and since producers of tobacco, cheese, apples and the like are greatly concerned about what is happening, could the minister make a statement next week on motions and deal with a number of specific products such as those I have already mentioned in order to allay the apprehension of many producers in the country?

Mr. Greene: I shall be glad to consider the hon. member's suggestion. With respect to fresh fruits and apples generally, the present value of exports is approximately $6 million and we do not contemplate any great change in this regard. With respect to dairy products, and cheese in particular, where exports are $14 million, it is in this area that we shall face the greatest difficulty. Though no product specifically competes with our old Canadian cheddar cheese, which is our main export—

[Mr. Stanfield.]

An hon. Member: It is the best in the world.

Mr. Greene: It is the best in the world; that is quite correct. Though New Zealand cheese is not of the same brand as old Canadian cheddar cheese, if it is cheaper it will offer us stiffer competition in the U.K. market. Cheese is one area where difficulty is contemplated.

Mr. Nesbitt: Since the minister was able to give the house invaluable information about some products, can he comment about tobacco? Tobacco is of great concern and interest to some.

Mr. Speaker: Order, please.

Mr. Greene: The same remarks—

Mr. Speaker: Order, please. The hon. member's original question was to ask the minister to make a statement on motions. I suggest to the hon. member and the minister that the statement should not be made now.

Hon. D. S. Harkness (Calgary North): I wish to direct a question to the Acting Prime Minister. Was the Minister of Trade and Commerce expressing government policy when in a speech to the GATT in Geneva he is reported as proposing a positive program to reduce obstacles to trade in agricultural products, such as farm subsidies and support prices, which I take it means the reduction or elimination of subsidies and support prices for agricultural products?

Hon. Paul Martin (Acting Prime Minister): As the hon. gentleman knows, in order to understand sentences contained in a public statement it is always well to have the context; and since I have not seen the whole speech I would prefer to read the speech in question in its entirety and then confer with the hon. gentleman.

Mr. Harkness: Then is it government policy to reduce or eliminate farm subsidies and support prices?

Mr. Martin (Essex East): What the government's policy is with regard to this particular matter will have to be analysed in the light of that statement as a whole; and I have not read that statement.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, my question is directed to the Acting Prime Minister.

Is the federal government informed of General de Gaulle's visit planned for July 1968 within the framework of agreements between France and Quebec? And, if so, does the government intend to invite that great man to come to Ottawa?

Hon. Paul Martin (Secretary of State for External Affairs): I have not been informed of the matter, Mr. Speaker.

IMMIGRATION

INQUIRY AS TO USE OF NEW APPLICATION FORM

On the orders of the day:

Mr. Jean-Pierre Goyer (Dollard): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

In view of the many articles published in newspapers recently, expressing concern about the fact that there is no mention of the "ethnic origin" since October 1 last on the application form for immigrants, could the minister tell us the reason for such a change?

Mr. Speaker: The question could be put on the order paper.

Mr. Goyer: Mr. Speaker, I take the liberty of pointing out to you that this is an urgent question since newspapers, especially in the province of Quebec, have referred to this problem again and again.

Mr. Speaker: The hon. member knows very well that if he feels this question is urgent, he can discuss it on the adjournment motion.

[*English*]

FINANCE

RECOMMENDATIONS BY TAXATION COMMISSION RESPECTING DEPLETION ALLOWANCES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I have a question for the Minister of Finance. A few days ago the minister indicated that he intended to make an interim statement with reference to the extractive industries, petroleum and mining, in connection with the Carter commission report. Will he be making that statement before he brings in his mini budget?

Hon. Mitchell Sharp (Minister of Finance): I am considering making a statement in connection with my financial statement.

Hon. J. W. Monteith (Perth): Does the minister count on tabling budget papers at the time of his financial statement, as is customary?

Mr. Sharp: No, Mr. Speaker. I do not intend, if the hon. gentleman means this, to table a white paper in the conventional sense, as is usually done at the time of the regular budget.

Mr. Woolliams: In reply to my question the minister said he intended to make a financial statement. Will he tell the house whether he is bringing in a budget or a financial message, as he describes it?

Mr. Muir (Cape Breton North and Victoria): A financial mess.

Mr. Woolliams: I asked a supplementary question but I think the Minister of Finance was engaged in talking to the Acting Prime Minister. Is it the minister's intention to bring in a financial message or is it his intention to bring in a budget?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): There is no difficulty about this. It is a matter of discussion among the house leaders, and I am sure they will reach a conclusion which will commend itself to hon. members present.

Mr. Woolliams: There seems to be some confusion on the treasury benches. I should like to ask the Acting Prime Minister whether it is the government's intention to bring in a budget or a financial message.

Hon. Paul Martin (Acting Prime Minister): There is no confusion in the mind of the government. The confusion, as usual, is in the minds of those who sit immediately to your left, Mr. Speaker. The form in which the government expresses financial policy is a matter to be determined by the government of the day.

Mr. Woolliams: I have a supplementary question, Mr. Speaker. I do not think the Acting Prime Minister understood my question.

Mr. Speaker: Order, please.

Amendments Respecting Death Sentence

Mr. Woolliams: May I put my question in this way, in order to clarify the situation. Would the Acting Prime Minister advise us whether the Minister of Finance, whatever the form of his presentation, will be bringing in budget resolutions at that time?

Mr. Sharp: Mr. Speaker, the word "budget" is a conventional term. It is a financial message we will be bringing in. As is the case at the time of the regular budget, it will be accompanied by resolutions proposing amendments to the taxing statutes. If the hon. gentleman would like to call that a budget, I have no objection. I should like to call it a financial message, which is more in accord with my feelings, but he has his choice.

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, my question is for the Acting Prime Minister. Does he expect to receive shortly a further report from the B and B commission.

Hon. Paul Martin (Acting Prime Minister): I do not know, Mr. Speaker, but I should think that this report would soon be available. I cannot say exactly when but I will make inquiries.

Mr. Jorgenson: If it is received shortly will it be the intention of the government to table it immediately or will this be done later?

Mr. Martin (Essex East): I think my hon. friend recognizes that the usual practice is for a royal commission report to be presented to the government, usually to the Prime Minister, and that the government in accordance with its responsibility decides when publication will take place. That is the course all governments have followed, including the government headed by my distinguished right hon. friend, the hon. member for Prince Albert, a few years ago.

CRIMINAL CODE

AMENDMENTS RESPECTING DEATH SENTENCE AND LIFE IMPRISONMENT

The house resumed, from Wednesday, November 22, consideration of the motion of Mr. Pennell for the second reading of Bill No. C-168, to amend the Criminal Code.

[Mr. Speaker.]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I waited to speak until the hon. member for Mercier (Mr. Boulanger) had left, because I would rather speak before his empty seat than his empty head.

Mr. Speaker: Order. I call the hon. member for Lapointe to order.

Mr. Boulanger: Mr. Speaker, it is unfortunate that the hon. member should be ignorant in addition to being ill-mannered and stupid.

Mr. Grégoire: Mr. Speaker, if the hon. member keeps on talking as loudly as he is doing, he will have trouble hearing what we have to say.

Mr. Boulanger: I am not interested.

Mr. Grégoire: Mr. Speaker, I wish to speak only a few minutes about that bill, because I have not had the opportunity to do so yet. I must tell you, Mr. Speaker, that several problems worried me before I made up my mind about the bill under consideration, and I wanted to find out whether our penitentiary system was organized to receive those who are sentenced to life imprisonment.

That is why, on Friday last, Mr. Speaker, I thought it advisable to go and visit the Saint-Vincent-de-Paul penitentiary—

An hon. Member: I am surprised that they did not keep you there.

Mr. Grégoire: —as well as the facilities available to the prisoners, and I must tell you that although I was pleasantly surprised by all the changes which have been made at the Saint-Vincent-de-Paul penitentiary, especially since Mr. Lecor was appointed warden of that penitentiary—

[*English*]

Mr. Churchill: I rise on a point of order, Mr. Speaker. In fairness to the hon. member who is speaking, and others, I suggest that we should be able to hear him.

Mr. Speaker: Order, please.

Mr. Churchill: Mr. Speaker, would you ask the Acting Prime Minister to sit down?

Mr. Speaker: Order. It is very difficult to follow the speech being made by the hon. member. I request the co-operation of those who are now engaged in conversations.

[*Translation*]

Mr. Grégoire: Mr. Speaker, as I was saying, although I was pleasantly surprised to see what improvements had been made, after visiting the cells, the kitchens, the classrooms and the rooms where the prisoners can learn a trade, which rooms are very well kept, although I was also pleasantly surprised to see how well qualified the personnel in charge of the Saint-Vincent-de-Paul penitentiary are, I still feel that our penitentiaries are not equipped, do not have the required facilities, at the present time, to accommodate those who are sentenced to life imprisonment.

I believe the government should, before introducing a bill like the one now before us, take the necessary steps to correct, to remedy the present situation in our penal institutions.

It is true that there have been some great improvements. It is true that the Saint-Vincent-de-Paul penitentiary—that one at least, because it is the only one I have visited—is much cleaner. I spoke with the staff of the Saint-Vincent-de-Paul penitentiary and I was pleasantly surprised to find that they are fully qualified, that the penitentiary is clean and especially that the new warden, Mr. Lecor, is very competent.

However, I think that there is a lack of space and accommodation for those who are sentenced to life imprisonment.

I think, Mr. Speaker, that this is a point which the Sollicitor General of Canada (Mr. Pennell) should take into consideration.

I also wish Mr. Speaker to speak of the bill itself. I think that the bill in its present wording contains discriminatory provisions.

There is too much difference between the lives of certain police officers or prison guards, and the lives of citizens in general. I think that the life of one is as important as that of the other. I think there should be no discrimination such as contained in the bill.

This bill is something of a compromise which does not solve the problem in any way.

Mr. Speaker, in closing, I simply wish to mention the reasons that lead me to oppose the bill. I object to the bill in its present wording.

I cannot agree with the clauses it contains, because they are not seriously relevant to the principle involved. I should like to suggest to the government that before such a principle or such a bill is carried, a referendum should be held, as was suggested yesterday. The reason is very simple. It is because, since the inception of this debate on capital punishment, Mr. Speaker, I have received about 350 letters from the voters in my constituency of Lapointe and hardly five or six support the abolition of capital punishment. The 340 others are openly against the abolition of the death penalty.

Therefore, I think that the government should act by way of a referendum in order to ask the Canadian people to express their opinion. Then the government would introduce a bill in accordance with the ideas or the statements gathered from the Canadian people.

Mr. Speaker, these are the three reasons why I am opposed to the principle of the bill and to its second reading.

[*English*]

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

[*And the members having been called in*]

• (3:50 p.m.)

Mr. Speaker: Order, please. May I suggest to hon. members that the vote might be taken by inviting members supporting the motion to rise starting with the first row to my right and then proceeding to the rows to my left, as we do in committee of the whole.

Some hon. Members: Agreed.

The house divided on the motion (Mr. Pennell) which was agreed to on the following division:

YEAS

Messrs:

Allmand	Barnett
Andras	Basford
Asselin (Richmond-Wolfe)	Batten
Badanai	Béchard
Baldwin	Beer
	Bell (Carleton)

Division

Benson
Berger
Bigg
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cashin
Chatwood
Chrétien
Coates
Côté (Longueuil)
Côté (Nicolet-Yamaska)
Davis
Deachman
Diefenbaker
Dinsdale
Douglas
Drury
Ethier
Fairweather
Fawcett
Forrestall
Gendron
Germa
Gilbert
Goyer
Grafftey
Granger
Gray
Greene
Groos
Harley
Hellyer
Herridge
Honey
Hopkins
Howe (Hamilton South)
Hymmen
Jamieson
Jorgenson
Knowles
Laflamme
Lefebvre
Legault
Macaluso
MacDonald (Prince)
Macdonald (Rosedale)
MacEachen
MacInnis (Mrs.)
Mackasey
McIlraith
McNulty
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Morison
Munro
Nasserden
Neveu
Nicholson
Nugent
O'Keefe
Olson
Orange
Orlikow
Pennell
Pepin
Peters
Pilon
Prittie
Prud'homme
Reid
Rideout (Mrs.)
Robichaud
Rochon
Roxburgh
Saltsman
Sauvé
Sharp
Stafford
Stanbury
Stanfield
Stewart
Tardif
Teillet
Tolmie
Tremblay (Matapédia-Matane)
Tremblay (Richelieu-Verchères)
Trudeau
Turner
Wahn
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winch
Yanakis—114.

NAYS

Messrs:

Addison
Aiken
Alkenbrack
Beaulieu
Bell (Saint John-Albert)
Bower
Brand
Caron
Caston
Chatterton
Churchill
Code
Comtois
Cowan
Crossman
Danforth
Dionne
Fane
Flemming
Forest
Fulton
Godin
Grégoire
Grills
Guay
Gundlock
Haidasz
Hales
Hamilton
Harkness
Horner (Acadia)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Isabelle
Johnston
Kindt
Korchinski
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
Laprise
Leblanc (Laurier)
LeBlanc (Rimouski)
Leboe
Lessard
Lind
Loiselle
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McLean (Charlotte)
McLelland
McQuaid
Monteith
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nesbitt
Ormiston
Pascoe
Pugh
Racine
Rapp
Régimbal
Ricard
Richard
Rinfret
Rock
Rynard
Scott (Victoria (Ont.))
Simard
Simpson
Smallwood
Smith
Southam
Starr
Thomas (Maisonneuve-Rosemont)
Thompson
Wadds (Mrs.)
Webb
Woolliams—87.

• (4:00 p.m.)

Mr. Speaker: I declare the motion carried.

[*Translation*]

Mr. Habel: Mr. Speaker, I was paired with the hon. member for Peterborough (Mr. Faulkner). Had I voted, I would have voted against the bill.

Mr. Mongrain: Mr. Speaker, I was paired with the right hon. Prime Minister (Mr. Pearson). Had I voted, I would have voted against the bill.

[*English*]

Bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

On clause 1—*Capital murder defined.*

Mr. Brewin: Mr. Chairman, when this bill was debated on second reading I made the statement that I proposed to move an amendment at the committee stage which would have the effect of producing a bill that would provide for the total abolition of capital punishment. At that time I gave the reasons why it appeared to me and several others that the principle which we have just approved on second reading would apply with equal force to the exceptions set out in this bill. I have no intention of repeating at length the arguments made at that time.

The justification for capital punishment, I feel, is based almost entirely on the question of deterrence. There are some people who

have been of the view that the maintenance of capital punishment in cases of the murder of police officers and prison wardens would have the effect of deterring a certain type of criminal. It is argued that these are hazardous occupations and they need the special protection afforded by the provisions of the bill as it stands now.

An examination shows beyond doubt that capital punishment is not, in fact, a deterrent even in the minority of cases covered by the bill as it stands. Neither I nor any other person supporting the principle of total abolition is careless or thoughtless of the lives or security of police officers or wardens, but in those states in which capital punishment has been abolished it has been discovered there has been no increase whatever in the risk that applies to those in this special category. It is illogical, it is wrong, to select a special class of persons and give them a protection which is denied others.

There was very little in the speech made by the hon. member for York-Humber the other day with which I agree. However, I do agree with the point he made about the illogicality of one person who may murder seven people at a time not being subject to capital punishment and at the same time providing that if one of the victims happens to be in this special class then capital punishment will apply.

The Solicitor General, in introducing this bill, spoke very eloquently but the very arguments he used apply with equal force to those who murder police officers and prison guards. The Prime Minister spoke with eloquence and feeling on this subject. Every argument he used was in favour of total abolition of capital punishment. The bill itself constitutes a compromise. We were prepared to accept and vote for the compromise because we felt it was the maximum we were able to obtain at that time and we were not prepared to defeat the bill simply because we felt it did not go far enough.

We propose in our amendment, Mr. Chairman, to provide an opportunity for those whose consciences are opposed to capital punishment as useless, barbaric and unnecessary in all cases to register their conviction on that particular point. The amendment which I propose is that we delete or repeal the whole of section 202A of the Criminal Code, the section passed in 1961 which separated the crime of murder into capital murder and non-capital murder. We then propose to amend section 206, which is the section that deals with penalties for murder, and to substitute therefor a simple section reading as follows:

• (4:10 p.m.)

Everyone who commits murder is guilty of an indictable offence and shall be sentenced to imprisonment for life.

When I say life, Mr. Chairman, I mean life, subject to the rule of law passed by this parliament in respect of parole and clemency.

All of the arguments on this question have been fully rehashed and I do not think there is any point in prolonging the debate. This amendment is designed to give those who believe in the total abolition of capital punishment the right to register their opinions at this time. The arguments in favour are the arguments which have been repeated again and again in this house and I am not going to reiterate them now. Therefore, Mr. Chairman, I move:

That Bill C-168 be amended by deleting therefrom the present clause 1, and by substituting therefor the following new clause 1:

"1. (1) Section 202A of the Criminal Code is repealed.

(2) Section 206 of the Criminal Code is repealed and the following substituted therefor:

'206. Everyone who commits murder is guilty of an indictable offence and shall be sentenced to imprisonment for life.'"

Mr. Mackasey: Mr. Chairman, the hon. gentleman who has just introduced this amendment quite accurately pointed out that in the debate on second reading which we have just concluded most of the arguments for or against the principle of abolition were placed on the record. Last year I voted for total abolition of the death penalty. However, I intend to vote against the amendment presented by the hon. member for Greenwood and, very briefly, these are my reasons.

One of the reoccurring themes in most of the contributions we have heard in the present debate, one that has a certain degree of justification, is that 18 months ago this house had an opportunity to express an opinion on the first measure presented on the question of total abolition. It was recognized at the time that many people voted against abolition because of the reservations they had concerning the so-called deterrent or psychological factor in so far as law officers are concerned. Many of the people who voted for retention a year or more ago voted for the bill on this occasion because of the retention of the death penalty in so far as law officers being killed.

In all fairness to these people, Mr. Chairman, what this amendment would do if

accepted would be to change completely the principle of the bill upon which we have just voted. The principle is not that we abolish the death penalty but that we retain the death penalty in cases of murder of law officers.

While I am fundamentally an abolitionist, Mr. Chairman, I think we owe it to those members who voted a year ago against abolition and who have gone along with the principle of the bill on second reading today, to reject this amendment. Its purpose is to change the principle of the bill and it gives conclusive proof for the eloquent arguments advanced that this bill would then be nothing more than a replica of the measure introduced 18 months ago.

Finally, Mr. Chairman, I am sure that the hon. member who moved the amendment realizes that if it were accepted it would jeopardize the passage of the bill on third reading, because the acceptance of the amendment would change the whole principle of the bill.

The Chairman: The Chair has some misgivings about the validity of this amendment. It feels that it does encroach upon some other parts of the Criminal Code, but the Chair also feels that this is the matter the committee should decide upon. I therefore accept the amendment. Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Brewin) negatived: Yeas, 37; nays, 106.

• (4:20 p.m.)

The Chairman: I declare the amendment lost. Shall clause 1 carry?

Mr. Churchill: Mr. Chairman, since the house wishes to exact a penalty from those who murder policemen or others as listed in clause 1, the house might also wish to take into account the children of this country who from time to time are murdered by those who have little regard for human life.

The hon. member for Greenwood used an inelegant expression when he said that the arguments in this debate had been rehashed. I think that arguments on a matter as serious as this cannot be too frequently put before the house and the people of this country. I regret that in this debate the arguments of those who do not favour the bill were not answered by those who do. I was disappointed with the way the Prime Minister treated the matter. He said that the sole argument the retentionists were advancing was that of deterrence and then he advocated the adoption of a bill which includes in its provisions a deterrent.

The arguments I advanced a year and a half ago and this year were not based on the theory of a deterrent; nevertheless, I question those who suggest that our populace has no fear of death. I advanced my argument on the basis that those within our society who are unable to protect themselves ought to be protected. I mentioned, previously women and children particularly and suggested that when the state had made adequate protection for its defenceless people it would be high time to abolish capital punishment. I said that when the state can guarantee that a man of criminal tendencies will not be released on parole and given the opportunity of murdering the women and children of the country I will be prepared to consider the abolition of capital punishment, but I will not be prepared to consider it until that assurance is given. That argument was never dealt with by the Prime Minister or those who advocate the adoption of the present bill.

I think it would be wise if we took a few minutes to consider the protection of the women and children of this country. I shall put to the committee an amendment which will ask that Bill C-168 be amended by adding to new subsection 2 in clause 1 a new paragraph (c) reading as follows:

(c) a person 16 years of age and under.

The Chairman: Is the committee ready for the question?

Amendment (Mr. Churchill) negatived: Yeas, 53; nays, 80.

The Chairman: I declare the amendment lost.

• (4:30 p.m.)

Mr. Woolliams: Mr. Chairman, we are still considering clause 1 which seeks to abolish capital punishment for the crime of murder except when it relates to police officers, sheriffs, wardens and certain others in this category. It seems to me that if these people are to be placed in a special class we should add another group to that class, the womenfolk of this nation. I feel that this must be done in order to protect females against the kind of people who, whether sexual deviates or not, attack females and kill them in the course of such attacks.

I intend to be brief this afternoon because a great deal has already been said with regard to the bill now before us. I realize that hon. members opposite wish to interrupt but I think they should be fair enough to

give a fair hearing to others, no matter in what part of the house they may sit. At no time have I ever attempted to shout down anybody speaking for a principle in which he believes. As I say, I shall not be making a long speech. However, I shall move an amendment almost identical with the one moved by my hon. friend from Winnipeg South Centre. I move that clause 1 be amended by adding the following to new subsection 2:

(c) any female person.

Amendment (Mr. Woolliams) negatived: Yeas, 49; nays, 87.

Mr. Cowan: Mr. Chairman, this bill has been introduced in the name of the Solicitor General of Canada. Will he answer questions in connection with these clauses as is usually done when other bills are before the house in committee?

I wish to ask the Solicitor General this question. According to this clause, murder is capital murder in respect of any person, where such person by his own act caused or assisted in causing the death of—

—a police officer, police constable, constable, sheriff, deputy sheriff, sheriff's officer or other person employed for the preservation and maintenance of the public peace, acting in the course of his duties—

Why is this list not extended to include civilians impressed by the police into assisting them in enforcing the law? The Ontario government compensation act which assists victims in such cases is for the benefit of the families of policemen killed in the performance of their duties and, in addition, for the benefit of families of civilians impressed by the police to assist in the performance of their duties. Suppose the police want to use a car belonging to a civilian. They say "Chase that man!" The civilian driving the car is shot dead. The man who has shot him would still get life imprisonment according to this bill, though if he had shot the policeman riding alongside him he would swing for it. Why is the civilian not included in this clause? People impressed into the service of the police are required by law to comply when a policeman makes such a request.

Mr. Pennell: Let me say at once that I appreciate the sincerity and the deep feelings of the hon. member for York-Humber on this question. I realize that in connection with some of these amendments I am open to criticism both from retentionists and total abolitionists. I have to accept such criticism for the sake of the survival of the bill. I made a careful analysis of the vote on the last occasion and I was satisfied that the bill would not survive unless provision was made for the exceptions now contained in it. However, I feel that if we were to extend the categories mentioned in this clause we would be defeating the principle of the bill. I am sure the hon. member understands that it is open to him to put his proposal in the form of an amendment and submit it to the will of the committee. But I had hoped to reduce the categories to the very minimum consistent with getting the bill through.

Mr. Woolliams: I should like to ask the Solicitor General this question. Under the criminal law of Canada, if a policeman calls on a citizen to assist him in making an arrest is the citizen not by law bound to go to the policeman's aid?

Mr. Pennell: I think it would depend on the circumstances which prevailed at the time the appeal for help came from the officer. I cannot give a categorical answer which would cover all circumstances.

Mr. Woolliams: With the greatest respect to the Solicitor General, it used to be that ministers had the benefit of advice from the experts when questions such as this were raised in committee. I think this matter is so important that the hon. gentleman should give us a more specific answer. If he is not completely familiar with this section of the code will he not take a few moments to ask the experts in his department or in the Department of Justice so that the committee may have this information? Is it not the case that if a policeman is seeking to arrest someone who is, shall we say, attempting to rob a bank, an indictable offence, any citizen upon whom he may call to assist him is bound to provide assistance in making that arrest? If the answer to that question is yes and the person who has been called upon to take this responsibility as a citizen and act as an agent for a policeman or guard is killed as a result, where does this bill stand in respect of such a person?

• (4:40 p.m.)

Mr. Baldwin: Mr. Chairman, in respect of the question which has been brought up by the hon. member for Bow River, I believe it is well known in common law and in our Criminal Code that a person who has reason to suspect that a crime is being or is about to be committed has a right to help prevent the commission of that crime and/or help apprehend the offender. I think the Solicitor

General might direct his attention in this regard to the meaning of the word "employed". Does the word "employed" as used in this subclause mean employment within the ordinary meaning of the word as we understand it, that is, that it constitutes a definite relationship, not necessarily that of master and servant but a relationship implying payment of salary? If the word "employed" means a person not employed as a servant then, of course, the hon. member for Bow River has made a valid point. However, if the meaning of the word "employed" as it is used in this legislation is that which is currently understood, then I think the Solicitor General has his answer there.

Mr. Woolliams: In respect of the interpretation of the word "employed" may I say that when those of us who are lawyers appear before the courts we find that the interpretation of a section in an act is not based on what has been said here in parliament in respect of what is intended. It is the court which interprets what the words mean. When we look at the words in this subclause I think that the least we can say is that the meaning is pretty ambiguous. It says:

> —a police officer, police constable, constable, sheriff, deputy sheriff, sheriff's officer or other person employed for the preservation—

If a police officer in a bank calls upon a citizen who happens to be in that bank to help him make an arrest, I question whether it could be interpreted that this person was employed at that time.

Miss LaMarsh: Of course not.

Mr. Woolliams: I agree with the Secretary of State who is a very able lawyer and who has said, "Of course not."

Mr. MacInnis (Cape Breton South): Do I understand that if a person is called upon by a law officer to assist him and refuses to do so he would be subject to a penalty?

Mr. Woolliams: That is exactly what I asked the Solicitor General. I think that the answer would be yes to that question.

Mr. Pennell: Mr. Speaker, may I say that the deputy solicitor general has suddenly been taken ill and has to return to his home. I had anticipated that he would be joining me this afternoon. In dealing with this question I should like to refer to section 110 of the Criminal Code. I agree with the original submission of the hon. gentleman that everyone who omits, without reasonable excuse, to assist a public officer or police officer in the execution of his duty in arresting a person or in preserving the peace, after having reasonable notice that he is required to do so, is guilty of an offence. This brings us back again to the answer I gave to the hon. member for York-Humber. It depends upon the circumstances. If a criminal is shooting, then surely no citizen could be charged for not coming to the assistance of the officer if there is danger to his own life. On the other hand, if the officer asked for help to arrest a person and there was no danger to the private citizen, then I believe there would be an obligation on the part of the private citizen to assist the officer. I am not making the categorical answer that in every case he would be charged with an offence.

Mr. Woolliams: It is 25 years since I studied law but it is my understanding—and I believe the Solicitor General will find there are some cases in this regard—that if a policeman calls upon a citizen in a bank to assist him in making an arrest and the citizen refuses, the citizen could be charged with an offence. Whether it is dangerous or not dangerous is not the question. When he says, "Mr. Brown, will you assist me in arresting this robber who is holding a gun at the head of a citizen" and Mr. Brown refuses, then I think Mr. Brown may have committed an offence in having failed to do so.

The reason for this offence is very obvious. The British have gone a lot farther in this regard than have the United States authorities. Why do the same things not happen in Great Britain which we know happen in the United States? There was a recent case in the United States where a woman walking down a street in New York was stabbed and no one came to her assistance. In Canada and Great Britain it is written into the code that a citizen must accept a responsibility to help preserve law and order and the peace of the country. I am sure that is how the law would be interpreted by any court of competent jurisdiction.

Mr. Pennell: It would depend on the circumstances which prevail at the time and whether there is a reasonable excuse. The hon. member mentioned New York state. May I point out to him that the bill before us is almost identical in principle with a bill introduced in the legislature of that state in respect of a change in the penal code.

Mr. Woolliams: I am not saying that this bill is not like the New York state bill but I

am saying that certainly there is a section in the code which states that a person may be called upon to assist the police. This is what in many cases makes the law in Canada and Great Britain different from the law in the United States. If the bill is merely drawn to get a certain kind of measure through the house we have a pretty weak situation, but if the bill is drawn with the idea of protecting police officers then as a member of this house I want to be assured that, if police officers are protected, anybody else who accepts the responsibility of a peace officer is also protected.

If Mr. A in a bank is called upon to help a policeman make an arrest, has a legal duty to do so and then is shot and killed, then does the accused who is convicted of murder become subject to capital punishment? My answer, of course, is that he does not. This private citizen is not employed. What we are doing by this bill is saying that when someone shoots and kills a policeman that person is subject to capital punishment but that if a private citizen who is called upon to take the same responsibility is killed then the person who killed that private citizen is subject only to life imprisonment. In addition, after he is imprisoned it may very well happen that often ten years, one month and one day or some other period he is out again.

Why should we not write into this bill protection for the private citizen in this type of situation? If this bill is a mere compromise vis-à-vis completely abolishing capital punishment, then I say that in its broader sense—and this is not a reflection on the minister personally or on his intelligence—it is a dishonest attempt. I use that word in the right rather than in the wrong sense. If that is all the minister is trying to do, abolish capital punishment, then putting in these little tidbits of protection is nothing less than a disservice and a departure from the minister's responsibility. That is my position.

• (4:50 p.m.)

Mr. Martin (Timmins): Mr. Chairman, having regard to the argument that has been taking place I should like to suggest that hon. members look closely at this clause of the bill. The whole basis of the argument advanced by the member for Bow River is related to a situation in a bank where a bandit with a gun is holding everybody at bay and a policeman asks John Q. citizen to assist him in making an arrest. It is inherent in the hon. member's argument that the citizen is in terrible danger because the bandit knows that if he shoots the policeman he will swing but if he shoots the citizen he will only get 10 years, eight months and some days. I suggest that this argument is silly and borders on the ridiculous. We should not waste any more time on it.

Some hon. Members: Oh, oh.

Mr. Smith: Mr. Chairman, the Solicitor General suggested that he does not want to add more categories to the exceptions. I think this difficulty could be solved very easily if we took the time to include a better definition of what "or other person employed for the preservation and maintenance of the public peace" means. It would be a very simple matter to define that category as including people who are pressed into temporary law enforcement duties.

Mr. Bigg: Mr. Chairman, speaking as a former police officer I must say that on many occasions I was embarrassed because the law has not been made clear on this point. I think we should take the necessary time now to clarify the law. We can no longer rely on the common law of England since the famous peeping Tom case which went as far as the Supreme Court. At that time the court indicated that the common law of England was no longer valid except by reference in principle. I do not think reference in principle is good enough to satisfy the purposes of this bill.

It is very important that the point in question be clarified. I cannot help but agree with my colleague, the hon. member for Bow River, that the interpretation of the law is in many cases more important than the law itself. I can see no reason for not standing this clause, or doing whatever protocol requires, until such time as this part is clarified once and for all so that the courts will know what we mean by "employed" as a peace officer.

It is my understanding that as soon as I get someone to help me carry out my duties as a police officer, that individual is in fact a peace officer whether or not he is paid. When an individual is called upon to help a police officer to make an arrest to preserve the peace he is in effect acting as a peace officer, and whether or not he is being paid is unimportant. Let me give an example. If I as a police sergeant were wounded in the course of carrying out my duties and I handed my revolver to a private citizen whom I had called upon to assist me, surely that private citizen would become at least a peace officer

if not a police officer. I should like to see this bill clearly defined so that everyone will know exactly where such an individual will stand in these circumstances.

Mr. MacInnis (Cape Breton South): Mr. Chairman, the hon. member for Athabasca spoke on a point in which I am very interested. The hon. member for Timmins missed that point entirely, and surely it is not within his prerogative to refer to those arguments of hon. members who are attempting to protect women, children and individuals who have been forcibly drafted into service as law officers as being silly. The hon. member for Bow River was not referring to private individuals who had a reasonable excuse for not assisting a police officer. He was speaking of those individuals called upon to assist in making an arrest. I suggest the hon. member for Timmins should remain in his seat and listen to these arguments rather than make such references to hon. members.

Mr. Martin (Timmins): Mr. Chairman, I rise on a question of privilege. I did not say the hon. member for Bow River was silly; I said he was using a silly argument.

Mr. MacInnis (Cape Breton South): Yes, and who else in the house can split hairs better than the hon. member. You may be an authority on splitting hairs—I do not mean to be personal—but you have to spread it around, Murdo.

As the hon. member for Athabasca indicated, any individual called upon by a law offer to assist is in essence, during the time he is giving that assistance, a law officer. Perhaps I am splitting hairs, but if I am asked by a police officer to assist him in carrying out the law of the country, by giving that assistance I am helping to carry out that law and at least for that time I am a law officer. Under such circumstances I deserve the same protection referred to by the hon. member for Bow River.

Mr. Alkenbrack: Mr. Chairman, I have listened with interest to the points raised by the hon. member for York-Humber and the hon. member for Bow River. After looking at paragraph (a) of new subsection 2 I have come to the conclusion that we should not pass this bill without amending this part. After the word "peace" in paragraph (a) we should make clear who these people are in addition to police officers who might be acting in the course of their duty. A person who has been asked by a police officer to give assistance in enforcing the law or to assist in apprehending a criminal is not covered under paragraph (a), or at least not in my interpretation of it. It says:

> —or other person employed for the preservation and maintenance of the public peace—

For example, under the present wording a private citizen or civilian would not be classified as employed in the preservation of the public peace. Neither would such a person be acting in the course of his duties. As was pointed out by the hon. member for Bow River, the courts would interpret this in an entirely different way.

During second reading I pointed out the confusing nature of this bill. For this reason the bill did not deserve the support it received in the house this afternoon. In view of the rapid increase in the crime rate it is my opinion that the bill should not pass out of the committee stage until we include the same penalty for the murder of a person assisting a law officer. If the hon. member for Bow River or the hon. member for York-Humber has a suitable amendment I will support it. If they do not have such an amendment ready I have one I should like to put before the house.

• (5:00 p.m.)

Mr. Woolliams: Mr. Chairman, I think we are on common ground in respect of the weakness of the new subsection 2. The common ground, is that, first of all, if a person is called upon to assist a policeman to carry out the law, is employed or engaged in the preservation and maintenance of the public peace, or is called upon to assist in making an arrest, that person is acting in the same capacity, with the same responsibility, and is taking the same chances as a police officer.

I must disagree with my hon. friend from Athabasca if he meant that when a person does this he is actually defined as a police officer under this clause. The Solicitor General and I are on common ground, because the answer is no. That person is merely a civilian and citizen and is not a police officer employed for the preservation and maintenance of the public peace. In that regard this clause is not ambiguous; it excludes the citizen and fails to protect him.

There is another point in this respect, Mr. Chairman. A question was raised by one of my good friends about a citizen's arrest. It is the responsibility of any citizen to assist a police officer in making an arrest. If the hon. member for Peace River and myself were in a public place and saw someone

committing an offence, the responsibility would be on us, as citizens of Canada, to make an arrest. If in making that arrest we were killed we would not be protected under this bill.

Mr. Fairweather: If you were killed you would not need much protection.

Mr. Woolliams: My good friend probably takes a different view. Do you think this is a good bill?

Mr. Fairweather: No, I do not.

Mr. Woolliams: All right. This is a very serious omission. I think the Solicitor General is really trying to protect police officers and guards in jails. I would ask the Solicitor General's experts to consider this suggestion. The clause refers to "a police officer, police constable, constable, sheriff, deputy sheriff, sheriff's officer or other person", and so on. Instead of using the word "employed" I would ask that the experts of the Solicitor General think about using the word "engaged" for the preservation and maintenance of the public peace.

To my mind the word "employed" carries the interpretation of someone "employed" as a police officer and receiving renumeration as such. But a person so "engaged" might be any person; he might be a citizen or a police officer. If this suggestion were adopted, the provisions of this clause would apply to all those people exercising the jurisdiction and carrying out the function of a police officer or prison guard.

I should like to hear what the Solicitor General has to say about this suggestion. I should like to know whether he is prepared now to move an amendment to cover this situation. I know he is very sympathetic to suggestions, and I am pleased that he is. We all know that he carries out his duties with a great deal of responsibility. I hope he will consider this suggestion because it is important.

Mr. Cowan: Mr. Chairman, as a mental barbarian who has been accused of harbouring criminal and savage ideas, I do not mind in the slightest being told that the arguments we are now advancing are silly. We are used to this kind of reply to our legitimate arguments. I listened with interest to the hon. member for Timmins when he presented the case of a possible bank hold-up where a policeman and a man with him were endeavouring to arrest a bank bandit for prosecution. The hon. member said that the argument is silly, that the bandit is not going to stop to figure out whether he will shoot the policeman or the civilian.

I ask the Solicitor General this question, and I am very happy to see that my friend the hon. member for Perth is in his seat because this involves an incident that happened in the town of Listowel in his riding. Some time ago a policeman, in the performance of his duties, called at a farmhouse in the area. This policeman had in his car a long-time friend, a civilian. No one knows to this day whether his friend was impressed to help him in serving a legal document on this person. The person against whom the legal document was to be executed shot them both dead. Under the provisions of this bill, if the crown proceeded against and obtained a conviction for the murder of the policeman the murderer could swing, but if the crown proceeded on exactly the same charge in respect of the death of the civilian the murderer could serve a sentence of life imprisonment which may be only, as has been said, 8 years, 10 months and 1 day. I ask, is this right? Is it fair? That Listowel case is still before the courts. This is not ancient history; it is right at the moment, 1967.

Mr. Pennell: Mr. Chairman, I have listened carefully to the submissions made by hon. members on this point. I believe I should point out that if we are to define a private citizen assisting a policeman as a police officer as far as capital murder is concerned, it might involve a number of other sections of the Criminal Code. I am prepared to give an undertaking to the committee that I will discuss this point with my colleague the Minister of Justice. We now have amendments to the Criminal Code in hand and will seriously consider this point, because if any change should be made regarding a person assisting a police officer, it should apply not only to cases involving capital punishment but to all sections. If any change is to be made, in my respectful submission it ought to be made in the definition section. I am prepared to give an undertaking that I will discuss this question with my colleague the Minister of Justice.

Mr. Woolliams: I do not want to delay consideration of this bill, Mr. Chairman, but if the Solicitor General is going to consider this suggestion I ask whether he would be prepared to let the clause stand. Otherwise, to have an undertaking such as this means

nothing. This is no reflection on the undertaking of the Solicitor General. If the minister is not prepared to let the clause stand, I am prepared to move an amendment in this regard. It will take just a moment to prepare the amendment. This is in my view a serious and important omission in the clause and I hope the Solicitor General will give careful consideration to the suggestion made. We are in the process of enacting law which will be on the statute books for a long time. I hope we do not have this matter before us again soon.

Everybody has spoken very seriously in regard to this problem, whether he be for abolition, retention or a compromise. I hope this provision has not been thrown in as a tidbit in order to pilot the bill through, because this is a serious problem. I know the minister has given it that degree of seriousness that he should. I believe this question is so important that the experts should look at it. We are federal legislators. Those of us on this side of the house do not have the services of experts who may be able to see something we have overlooked in our haste in drawing up an amendment. If the undertaking of the minister means anything from a practical, functional point of view, I would ask him to stand the clause and let us deal with the remaining clauses.

If the minister's experts draw up an amendment it would perhaps be passed without any difficulty. Surely everybody would agree with that. But if we just agree to pass the bill on the undertaking that the Solicitor General will consider this suggestion and between now and third reading something will be done about it, that is straight hogwash.

Mr. Pennell: Without being disrespectful to the hon. member, Mr. Chairman, I suggest that he should put his amendment. If the amendment is defeated, I still give my undertaking to discuss this question with the Minister of Justice. I appreciate the hon. member's point, that I am not giving a guarantee that the clause will be changed.

Mr. Aiken: Mr. Chairman, I should like to ask the Solicitor General whether a redefinition of "peace officer" or "police officer" would have anything whatever to do with the exceptions which are contained in the bill. I cannot understand how redefining who is a police officer would make a civilian, acting in the maintenance of the public peace, a police officer, no matter what you do with the other sections of the Criminal Code.

[Mr. Woolliams.]

Since this is merely a definition of the persons who are presumably being protected, would it not be more logical to substitute the word "engaged" for "employed" before the words "for the preservation and maintenance of the public peace"? That would surely include any other person. But I cannot agree that changing the definition of a peace officer would have the effect of changing the bill.

• (5:10 p.m.)

Mr. Pugh: First, I should like to ask the Solicitor General whether there is any compensation for a peace officer killed in the execution of his duty. Obviously the Solicitor General knows where I am heading. Second, I am wondering whether the family of a private citizen who witnesses a bank hold-up and becomes a victim would be entitled to compensation in the event of his death. This is but one further step in providing protection.

Mr. Pennell: I must apologize to the hon. member. I did not quite catch all he was saying because of conversations behind me. Would he mind repeating the last part of his question? I thought it related to compensation for a person assisting a peace officer.

Mr. Pugh: Yes. Let me put it this way. Let us say a private citizen who witnesses a hold-up is pressed into service by a policeman. At that stage he comes to the aid of a policeman in a hold-up. A gun is produced and the private citizen is killed. I should like to ask the Solicitor General, first, whether there is compensation for the wife and family of the policeman or peace officer, and second, whether compensation would be provided to the wife and family of a private citizen in the event of his death if he is not in the category of people included in this amendment.

Mr. Pennell: I am not aware of any federal law which would provide compensation. Compensation for peace officers depends on whether they are municipal or provincial officers. The R.C.M.P. have provisions for compensation to dependants of peace officers killed in the execution of their duty. However, I know of no federal law that provides compensation for a private citizen.

Miss LaMarsh: Mr. Chairman, it seems to me that the amendment about to be moved by my hon. friend for Bow River is completely out of order in that it is a complete antithesis of the whole purpose of the bill. It is my recollection that when the current Criminal

Code was amended under the aegis of the present hon. member for Kamloops—I was instrumental then in having the section with respect to police officers and wardens inserted as part of capital murder—there was no discussion or proposal to bring in either the category of private citizens who are pressed into service by a police officer or the other category of citizens who accept their responsibility and take action in emergency situations. Neither of these categories was included. Not having the Criminal Code here and not having dealt with the criminal law for a number of years it would seem to me, nevertheless, that if the kind of amendment being discussed were put into the bill we would be broadening the category beyond those who are in the category of capital murder.

Mr. Baldwin: We have already accepted two such amendments.

Miss LaMarsh: The hon. member means the ones we have already discussed. I did not rise on a point of order to discuss them but I am rising on this particular amendment. It seeks to broaden the category of those included. I think it is against the principle which the house has already accepted.

Mr. MacInnis (Cape Breton South): Would the hon. lady permit a question? She is raising an objection to this amendment and yet similar amendments were accepted by the committee previously. Why did she sit and wait until the third amendment was put forward before raising an objection?

Miss LaMarsh: I cannot comment on the past two votes, particularly the last one, regarding their frivolity or otherwise. However, I am raising the point on this amendment before the committee votes on this matter. We have been sitting here for the last hour debating a point which I think is out of order and is a waste of our time, it being an addition to the law which was initiated by the hon. member for Kamloops who did not seek to extend protection to citizens in that category.

Mr. Fulton: I rise on a point of order, Mr. Chairman. The point made by the hon. lady might be applicable if this were a bill preceded by a resolution. The well established principle is that one cannot introduce amendments in the house or in committee which carry the terms of such a bill beyond those authorized by the resolution. There is no such limitation on this kind of bill. We are in committee dealing with the category of persons whose murder would attract the penalty of capital punishment if they are killed. It is surely perfectly in order to suggest an additional category or even five additional categories. May I suggest with respect that under our rules there is no such limitation as suggested by the hon. lady.

Miss LaMarsh: Certainly the reason that I voted against the bill on second reading was that the principle of the bill limited abolition to be enforced for a limited period of time with one exception. I think that any extension beyond that is against the principle and therefore should not be received.

Mr. Fulton: If the hon. lady could quote a rule of the house in support of her contention we could come to grips with the matter, but I submit that she is conjuring up a limitation which in fact does not exist.

Mr. Knowles: Mr. Chairman, may I say a few words on the point of order raised by the Secretary of State, and perhaps at the same time I might make some remarks on the substance of the proposal.

I think it will be obvious that I will be opposed to the amendment which the hon. member for Bow River may propose, but I defend his right to move it. It seems to me that what has been given to the committee of the whole is a bill which restricts the application of capital punishment to the two categories set out in the bill. I think the committee has the right either to restrict it further or to restrict it less. Therefore I think it was in order—and I hope it is not out of order for me to say this—for us to seek to restrict the application of capital punishment further by the amendment moved by the hon. member for Greenwood. I think the hon. member for Winnipeg South Centre and others who have moved amendments going the other way were perfectly in order. If necessary, I could produce citations, such as citations 406, 408 and one or two others of Beauchesne's fourth edition. Clearly what is before us is not a bill of absolute abolition, nor one that is legislating de novo with respect to capital punishment. It is a bill that restricts the application of capital punishment to something less than is now the law of the land. The restriction is brought down to the two categories in the bill. We tried to restrict it still further, while other hon. members sought to restrict it to a lesser extent. It seems to me that amendments either way are in order, and the very fact that the house has already voted on three

amendments, ours which would have restricted it further and the others which would have restricted it to a lesser extent, makes it in order for the hon. member for Bow River to move an amendment as he may be doing now.

Perhaps while I am on my feet I might say in the same vein that what the Solicitor General has given to us is a compromise bill which restricts capital punishment to two categories. He has stood against making these restrictions any narrower. He did this when he voted against our amendment. That is his right, and he has given us quite clearly his reasons for doing so. I think he and those associated with him should, by the same token, resist the efforts to widen the exceptions. Therefore I think the proposed amendment which the hon. member for Bow River seeks to move is in order, but I think the house which has refused to go one way away from the Solicitor General's proposal should refuse to go the other way and we should vote against the proposed amendment.

• (5:20 p.m.)

Mr. Bigg: Mr. Chairman, I cannot understand why anybody should object to the fact that we want clarification of what we are voting for. It is not irrelevant for any member of the house, before he stands up to vote, to ask for clarification of the matter upon which he is voting. After reading this clause I do not know whether as a policeman, a lawyer or a civilian I am protected by the provisions of this bill. I think we should clarify the clause here and now. We should not leave it to anybody to interpret the will of parliament because the point is very narrow. If the minister does not wish to broaden the effect of the part of the bill retaining capital punishment, we should know. As I read the bill, I am not sure whether the provision covers a policeman who is paid or whether it means any number of characters who could be covered by various interpretations of the bill.

Mr. Woolliams: Mr. Chairman, I am somewhat disappointed that we cannot get this clause stood until the experts have come up with some ideas. I gathered from what the minister said that he was sympathetic to this argument. Perhaps some of his friends are not, but I thought he was sympathetic. This matter is very important. I am not trying to delay the bill, but I am prepared to move an amendment. I ask the Solicitor General to think about it and let us trade places for a few moments. Here we are, legislating upon a very important matter, and I am asked, in a few seconds with people talking all around me, to change an important piece of legislation. If this change were accepted it would be the law for a long time to come with reference to the very important matter of whether or not capital punishment will be implemented or abolished for a certain class of people. As I say, this is a very important matter.

I recall that when I studied criminal law we studied a famous Irish case and if you put a comma in the sentence capital punishment would be implemented but if you took out the comma the person would get life imprisonment. This is how serious the matter is. It is not what we say in parliament that is important; it is the wording of the act that will be important. The courts look at that wording and say, this is what parliament must have intended.

It is against the law to get up in any court and quote *Hansard* when you are arguing a point of law. The Registrar General knows that, the Solicitor General knows that, and the Secretary of State knows that. They are all good trial lawyers. I know the Solicitor General is sympathetic to my argument. If he is then I ask him, in all decency allow this clause to stand. I am aware of the pressure. It is being said that somebody is trying to delay the bill, that the debate has been going on for a long time. I have made one speech. I do not mind saying that we have had discussions with various people here trying to bring on the vote. We on this side, and many others on that side have not tried to delay the bill. There may have been some delay, but that is not for me to criticize.

I ask the minister once again, before I move my amendment, if he will allow this clause to stand. Surely this is the time to get the best possible piece of legislation. On many occasions we do waste time in the House of Commons, but now we are dealing with an important subject so let us take the time to give it thought.

Mr. Pennell: As I said earlier, Mr. Chairman, I am in agreement with the hon. member for Bow River regarding the position of a person assisting a police officer. A private individual, even though called upon to assist a police officer in the execution of his duty, is not defined as a peace officer. Therefore if he were killed in the course of assisting a peace officer it would not be capital murder under the bill now before the house. I just wanted

to make sure that the hon. member for Bow River and I are ad idem on that point.

Mr. Woolliams: Now we have come to grips with each other on our understanding of the law. Does the Solicitor General not think that by failing to cover this situation in the bill he is increasing the difficulty of the police? I believe we are going to reduce the moral standards of this country to the level of those in the United States where they allow citizens to be killed on the streets of New York without anyone coming to their assistance. If I as a citizen realize that I must take the responsibility of a policeman and exercise his jurisdiction and yet I do not have the protection under this bill that a policeman has, then surely the citizen is being asked to do more than the policeman is expected to do.

What is going to happen? A citizen is going to say: Well, parliament legislated to protect the policeman but they are not going to protect me so the policemen are on their own. This is the reason behind it. Once again, before I move my amendment, I ask the Solicitor General to allow the clause to stand. I have consulted some lawyers over here and I believe the amendment is good. I think I have been asked this afternoon to do something that is beyond the capabilities of anyone. The Solicitor General is now talking to the Secretary of State for External Affairs who is the Acting Prime Minister. I appeal to you, sir, to allow this clause to stand, take a look at it and bring it back after supper. I will take a look at it and then I can move my amendment. You can get your experts to look at it and if you go along with my argument, then you move an amendment. Surely that is not unreasonable. I ask the Acting Prime Minister to discuss it. Surely it is his responsibility to ask that this clause be allowed to stand until after supper. I can only promise one thing, I can guarantee that hon. members over here will give you every bit of co-operation.

We have had the vote on second reading and those who were opposed to the bill voted against it. Surely on this important matter the minister will reconsider, allow the clause to stand and give us time to bring in a proper amendment. You will have time to discuss it with your colleagues. Is two hours too much to ask for?

Mr. Pennell: The hon. member has put his case with considerable force and feeling. I am prepared to suggest that we stand his proposed amendment for a moment and I will entertain any other amendments that may come forward. Then we will come back to the amendment suggested by the hon. member.

Mr. Cowan: As the one who first brought up this question of a civilian being impressed to aid a policeman, I want to thank the hon. member for Bow River for having presented the case so eloquently. I support every word he uttered. I now wish to bring up a question for the Solicitor General along the same lines. I referred to this matter the other day. There was a bank holdup at Downsview by a man named Smith. There was a customer in the bank by the name of Blanc. When Smith left the bank to go to his car in an effort to escape, the customer Blanc took a rifle or pistol from the bank accountant and went outside. He shot two or three times at this chap Smith.

Smith then got out of the car with a rifle and blew off the top of Blanc's head while Blanc was down on one knee shooting at him. By the time the policemen got there Blanc was dead. Blanc was not assisting any policeman; no policeman had asked him to assist him. Blanc was trying to preserve peace and order. Smith was caught and convicted of murder but a merciful cabinet commuted his sentence to life imprisonment. He later committed suicide in prison and cheated the cabinet of its great desire to rehabilitate him into a gentleman.

• (5:30 p.m.)

My contention is that the family of the victim is entitled to some protection. Why should the law make a distinction because the man is a civilian, not a policeman? Why should the penalty be life imprisonment whereas if the man had shot a policeman he would be executed?

The hon. member for Peace River put his finger on this when he pointed out there is a basic law that if a civilian sees a criminal act being performed he should move to prevent it. Blanc moved to prevent such an act, but under the provisions of this bill the man charged could only be sentenced to life imprisonment. If a policeman had come along and had been shot dead, Blanc would have been executed. Therefore I ask the committee to consider cases of civilians who endeavour to preserve and maintain the public peace without being impressed to do so by the police.

Mr. MacInnis (Cape Breton South): Mr. Chairman, although I still question the

advisability of participating in exchanges between lawyers I should like to make one point. It may be all right for the Solicitor General to give assurances to this side of the house as minister in charge of the legislation, but members on this side of the house have had experience of accepting such undertakings. Members have left the house with the understanding that something would be done but when they returned they found that the minister no longer headed the department in question. With all the switching that takes place so frequently on that side, we cannot rely on the Solicitor General being minister of this department on Monday of next week.

Perhaps I am being a little facetious in saying that, but since it is difficult for lay members to understand the actions of lawyers and courts I would ask the minister this question. Since he is having trouble in accepting the suggestion of the hon. member for Bow River to replace the word "employed" with the word "engaged" and since the minister refuses to stand the bill, is it his intention at a later date to amend the Criminal Code to remove the penalty that can be imposed on any individual who refuses to assist a police officer? Each and every citizen of this country could be penalized for not coming to the assistance of a police officer. If a civilian does assist a police officer, those who support the minister are refusing absolutely to give him the same protection they give that police officer. At the same time, if a civilian refuses to help a policeman those same members are imposing a penalty upon him under the law.

Therefore, Mr. Chairman, if the minister is unable to accept the amendment of the hon. member for Bow River, which is supported by some members on that side of the house, and give protection to those who assist police officers, then I ask him to remove the penalty that can be imposed on any person who refuses to assist a police officer.

Mr. Basford: I will be brief, Mr. Chairman. It has been said that those who support this provision in the bill are not concerned about private citizens who are either impressed into acting as police officers or who voluntarily serve as police officers. It seems to me the hon. member for Kamloops could be of great assistance to the committee at this point, because the definition in Bill C-168, clause 1, paragraphs (a) and (b), is the same that the hon. member for Kamloops, when he was minister of justice for Canada, put into section 202A of the Criminal Code, in which section he established the distinction between capital and non-capital murder. In section 202A of the existing code capital murder is defined in subsection (2) (c) as follows:

> —such person by whose own act caused or assisted in causing the death of
>
> (i) a police officer, police constable, constable, sheriff—

And so on. As I say, Mr. Chairman, they are the same words that are used in the bill before the committee.

The hon. member for Kamloops could be of great assistance to the committee by explaining why, when section 202A was incorporated in the Criminal Code, he did not include at the same time in subsection (2) (c) the words "citizens impressed as police officers or citizens voluntarily acting to keep the peace". I think such an explanation from the hon. member for Kamloops could be very helpful.

Mr. Fulton: Mr. Chairman, I think hon. members will realize that this section was drafted in 1961, some six years ago, and it is not easy to remember all the details in connection with the reason that certain provisions were included in the legislation and certain provisions were not. My recollection is that it was the hon. lady, the Secretary of State, who raised the matter formally for the consideration of the committee and we conferred on the question at the time.

Concern had been expressed by the association of police chiefs, and the government and the committee felt that as an assurance of their position and as an indication that parliament, on behalf of society, recognized the importance of giving this protection, it would be appropriate to put the provision in the bill.

It has a particular significance now in the context of this discussion when you realize that at the time we were passing the legislation in 1961 ordinary civilians received the protection of the earlier portion of section 202A—the protection of the maintenance of capital punishment for planned and deliberate killing on the one hand, or for the killing of somebody in the course of committing some other planned and deliberate crime on the other.

It seems to me, Mr. Chairman, that the provisions of the law which are now being repealed did in fact cover the case of a civilian acting in the circumstances my colleague from Bow River has in mind. Under the provisions of the law as it now stands, if a bandit or a bank robber had the intention

of robbing a bank and in the course of committing the robbery he shot a civilian, then he would be guilty of capital murder, he having killed in the course of committing a deliberate and planned crime. So the civilian received that protection under the law as it was enacted in 1961.

I do not think I should go any further than that. We felt we were not making a clear distinction between the position of the civilian and the policeman by the inclusion of the later portions of 202A, such as will be the result of the proposed repeal of the earlier portion of that section. I do not know whether I am making myself clear, but we did feel we were not making a distinction between the actual position of civilians and policemen by the inclusion of that provision. The civilian had the protection of the general law relating to capital punishment. Whereas if we now eliminate that protection and retain only the provisions relating to police officers and prison wardens, then they are the only category of people whose killing attracts the penalty of capital punishment. That is the distinction my hon. friend from Bow River is complaining about.

• (5:40 p.m.)

Mr. Baldwin: May I make one brief comment? As the wording is now I think the meaning is quite definite. Using what is known amongst lawyers as the *ejusdem generis* rule, we should interpret a section such as this in the light of what has already been suggested. Unquestionably paragraph (a) of new subsection 2 in clause 1 encompasses "a police officer, police constable, constable, sheriff, deputy sheriff, sheriff's officer, or other person employed for the preservation and maintenance of the public peace." It includes all those who assist in preserving peace and order. To make my point clear, I point out that section 436 of the Criminal Code says:

Any one—

That means any one at all.

—may arrest without warrant a person who, on reasonable and probable grounds, he believes

(a) has committed a criminal offence—

Sometimes certain persons, even though they are not police officers, restrain others from breaking the law. Under the Criminal Code they have the right to arrest.

Directing my remarks for a moment to the amendment which the hon. member for Bow River wishes to move, I may say that I will help him draft it and I shall vote against it. I do not like what is contained in the subsection; I suffer under it and I will not do anything to expand its provisions. Even if the minister or the government were to draft the amendment and bring it forward, I would still vote against it.

Mr. Churchill: I wonder whether the minister would use his customary discretion and stand this clause? Those who are drafting the amendment ought to have a little time to consider it. The minister could discuss with his officials what should be done. We might save time. That has been done hundreds of times in this house. Between 6 p.m. and 8 p.m. agreement might be reached between the minister and those who propose the amendment. On the other hand, if the minister is completely inflexible—and he will have from 6 p.m. to 8 p.m. to consider the matter—from 5.45 p.m. until 6 p.m. myself and others will repeat the arguments which have been made. What other pressure can we bring to bear on an inflexible minister?

I listened to the debate this afternoon on this clause. Very wisely, the hon. member for York-Humber introduced a problem we ought to consider. He gave us an example of a citizen who, acting on behalf of society, participated in an attempt to check those who wanted to break the law. Arguments have been advanced with regard to those who are impressed to assist police officers. Those arguments make sense to me. I intend to vote for the amendment that the hon. member for Bow River is preparing. If the minister wishes me to discontinue speaking I shall be pleased to if he will say whether he will stand clause 1 and continue with other parts of the bill. I pause to allow the minister to answer. Am I to continue talking or will he stand clause 1?

An hon. Member: No.

Mr. Churchill: The minister wants me to continue talking?

Mr. Flemming: He did not say that. It was some other fellow.

Mr. Pennell: Mr. Chairman, I wanted to know whether any further amendments to clause 1 were to be proposed. I agree with the suggestion of the hon. member. I propose to take the proposed amendment of the hon. member for Bow River under consideration and to stand the clause for the moment. I merely wanted to know whether other amendments to this clause were to be moved

at this time. If there are no further amendments I shall stand this clause and continue with the next clause.

Mr. Churchill: Then I shall relinquish the floor. My understanding is that unless others wish to propose amendments to clause 1 at this time the minister will stand the clause.

Mr. Cowan: Mr. Chairman, the Solicitor General suggested a moment ago that he wished to consider any other amendments to this clause. With respect to paragraph (b) of the new subsection 2 I wish to ask why prisoners who are confined to penitentiaries with convicted murderers are not to be given some protection under the law. New subsection 2 (b) reads:

Murder is capital murder—

Where one kills:

(b) a warden, deputy warden, instructor, keeper, gaoler, guard or other officer or permanent employee of a prison, acting in the course of his duties—

Why should fellow prisoners not be afforded protection under the law? I remind the Solicitor General, whom I have always thought a very intelligent officer of the crown, about the Santa Claus murderer, Marcotte, who turned state's evidence and was confined to jail in Winnipeg. The other inmates of the prison there raised hell—that is the only way to describe it—because they knew that he had been accused of complicity in the murder of two police officers.

There is honour among thieves and the prisoners in the Winnipeg jail let it be known that they did not want to associate with a criminal of the brand of Marcotte, whose sentence the cabinet had commuted to life imprisonment. That man has been moved from the Winnipeg prison because of the opposition of other prisoners to his presence. Should not protection be given to fellow prisoners when they have a convicted murderer among them? Why should we be told that when a man kills a warden, deputy warden, instructor, keeper, jailer, guard, or other officer or permanent employee of a prison he will swing for it but if that man kills another prisoner, the cabinet does not mind? After all, they will commute his sentence to life imprisonment. That seems to be the cabinet's job.

I say to you that fellow prisoners are entitled to as much protection as any warden, deputy warden, instructor, keeper, jailer or guard. Do not say to me that attacks on other prisoners do not occur, because they do. This very week there was a reported attack on a Canadian in a Mexican jail. He was attacked by fellow prisoners and may have been seriously injured. Who knows, he may have been killed.

These things do occur; prisoners attack fellow prisoners. If a man already is serving the maximum sentence of life imprisonment, which means eight years, ten months and one day, why should he not murder another prisoner? He will be given life imprisonment of eight years, ten months and one day and the sentence will be concurrent. I say that prisoners are entitled to as much protection as a warden, deputy warden, instructor, keeper, jailer, guard or other officer or permanent employee or any person listed in that subsection.

Mr. MacInnis (Cape Breton South): Mr. Chairman, if we are to widen the provisions of this clause we must not forget what happened in the House of Commons not long ago when someone attempted to throw a bomb. Unquestionably the man who was killed intended to throw the bomb on to the floor of the chamber. Should we not consider the uniformed officers who are employed by the House or Commons for security purposes? What if one of them had apprehended the man and tried to detain him and then had been killed by the exploding bomb? Should the House of Commons guards not be included in the provisions of this bill?

An hon. Member: They are included.

Mr. MacInnis (Cape Breton South): My hon. friend who is an abolitionist says they are included. Should not the commissionaires across this country be included? I am thinking of the commissionaires who are hired by the Department of National Defence, the Department of Transport and other government departments. They are employed all over the country. Should they not be afforded the protection that is afforded to police officers, guards and others like them?

I bring up these points because of the concern we all felt when we learned that a man had intended to throw a bomb on to the floor of the house. We have a security staff, and I am told that they are police officers.

• (5:50 p.m.)

Mr. Fairweather: They are peace officers, not police officers.

Mr. MacInnis (Cape Breton South): I did not get that information from the Solicitor

General; I will accept it from the authoritative source from which it came. If they are considered to be police officers, then every commissionaire hired by the different departments is performing the same task as is carried out by the guards in the House of Commons.

There have certainly been objections registered to this clause. But then the bill as a whole has been objected to. If the Solicitor General sees fit to provide a couple of categories as he does in this clause, then there are thousands of people who can rightfully claim to be placed in those categories, among them commissionaires and others hired in the capacity of peace officers. But this is not recognized in the bill before us.

Mr. Martin (Timmins): I rise briefly to register my protest against something which is creeping increasingly into this debate, namely, the supposition that the death penalty is somehow or other a great protection for anybody. I absolutely refuse to accept that I myself, for example, am protected by the fact that a person who might kill me would be hanged rather than committed to life imprisonment. I cannot accept it and I object to this notion becoming, as it were, part and parcel of the debate, as if by retaining the death penalty in the case of the murder of policemen and prison guards we were providing them with a great measure of protection.

Some hon. Members: Hear, hear.

Mr. Alkenbrack: I was very pleased to hear the Solicitor General say a few moments ago that further amendments to this clause would be welcomed by him.

Mr. Woolliams: He did not say "welcomed".

Mr. Alkenbrack: I am also pleased to know that he is finally consulting with the Minister of Justice.

Mr. Pennell: On a question of privilege, if I said I welcomed amendments, I apologize. I meant to say I welcomed the amendments being put so I could study them.

Mr. Alkenbrack: My interpretation of the minister's statement has not changed. As I say, I am glad that even at this late stage the minister has admitted he is discussing these questions with the Minister of Justice. He may recall that on November 14, as reported on page 4284 of *Hansard,* I asked him whether he had discussed the merits of this bill, with all its confusion, with the Minister of Justice. Apparently the hon. gentleman has just come round to appreciating the value of taking the Minister of Justice into his confidence.

Members of the house know that in most of our pententiaries the buildings are so arranged that the staff residences are close at hand. It is not uncommon for the families of the wardens and other officials to live on the premises and on occasions they have become involved in kidnappings and other crimes committed by escaping prisoners. Wives and children have been and could be held as hostages during a getaway.

I suggest to the Solicitor General that in these circumstances further amendment to this clause is required by the addition of a further paragraph (c). Exceptions are presently made in the case of:

(a) a police officer, police constable, constable, sheriff, deputy sheriff, sheriff's officer or other person employed for the preservation and maintenance of the public peace, acting in the course of his duties, or

(b) a warden, deputy warden, instructor, keeper, gaoler, guard or other officer or permanent employee of a prison, acting in the course of his duties—

A further paragraph, (c), might well be added to read "or any member of the family of any of these persons."

The Assistant Deputy Chairman: It being six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: the hon. member for Essex West (Mr. Gray), Pollution—federal representation at provincial conference in Toronto; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Works—Ottawa—Height of proposed national defence headquarters building; the hon. member for Carleton (Mr. Bell), Public service—committee report on pensions of retired civil servants.

It being six o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers),

private bills, public bills. As there are no notices of motions (papers) on today's order paper, the house will proceed to the consideration of private bills.

Mr. Olson: Mr. Speaker, there has been some discussion among the interested parties in connection with the bill standing as item No. 5 and I believe there is unanimous agreement among those members—it does not necessarily extend to all members of the house—that item 5 might be called first for the purpose of sending the bill to the committee on transport and communications without delay. Then we could proceed with the list as it stands.

Mr. Deputy Speaker: The house will recognize, of course, that this can only be done by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Cameron (High Park): On the basis outlined by the hon. member who has just spoken, that there will be no debate.

• (6:00 p.m.)

PRIVATE BILLS

TRANS-CANADA PIPE LINES LIMITED

Mr. H. A. Olson (Medicine Hat) moved the second reading of Bill No. S-26, respecting Trans-Canada Pipe Lines Limited.

Motion agreed to, bill read the second time, and referred to the standing committee on transport and communications.

AETNA CASUALTY COMPANY OF CANADA

The house resumed from Thursday, October 31, consideration of the motion of Mr. Cameron (High Park) for the second reading of Bill No. C-112, to incorporate Aetna Casualty Company of Canada, and the amendment thereto of Mr. Gilbert (p. 1746).

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to comment on the amendment which is before the house. I recognize, of course, that in the history of the proposal which is contained in this bill the terms of the amendment have been met on more than one occasion in the sequence of events which surrounded the introduction of this proposal at various times during various sessions. I believe that the events of the past, so far as the particular proposal contained in this bill is concerned, were desirable. Therefore in my view the amendment now before the house will further continue a desirable

situation in that the bill will not be read a second time.

I realize that at various times during various sessions there has been fairly extensive discussion about the questions involved in the proposal that this company be incorporated as a company under the laws of this country. These discussions have taken place in a scattered and desultory manner and therefore it is perhaps difficult to get the whole picture in one piece, as it were, unless one does a fairly extensive amount of research into the records of the debates in this house.

Perhaps I should recall to the attention of hon. members that this bill, if passed, would enable this foreign owned concern, if its announced intentions and desires were fulfilled, to expand an operation in the insurance field in this country which has been carried on to a point even though not by the company which is proposed in this bill. The proposal would authorize this firm to engage in a very wide range of casualty insurance. In fact, as has been pointed out previously, this is the bill which coincides with the alphabet inasmuch as the classes of insurance listed run from "a" to "zee", if I may use the Americanized version of the pronunciation of the last letter of the alphabet. So in order that the bill may be identified in the minds of members as the clauses come up for discussion, I suppose it could properly be called the alphabet soup bill.

I believe I should point out to the house, as I believe I did during earlier discussions, that this company would merely be duplicating the kinds of insurance coverage that are offered to the Canadian people by an almost innumerable body of insurance companies of various kinds which have been incorporated at both the federal and provincial levels. Apart from anything else, if we accepted the proposition of this company we would in my view be further duplicating the very costly and unwieldy methods under which at the present time the Canadian people are able to secure insurance coverage of the types enumerated. I find it difficult to imagine any procedure for meeting the desire of Canadians to protect themselves against loss more costly and inefficient than the system that already exists in this country because of the multiplicity of these companies with their heavy overhead, duplication of sales efforts and all the rest. These costs are inevitably tacked on to the premiums Canadians have to pay. From this point of view, so far as I am concerned it is a completely unnecessary

exercise to assist this company in any way to expand its operations within the Canadian economy.

In addition to adding to the costs to the Canadian people of having insurance facilities available to them, because of the particular nature of the company and the fact that it will be owned outside our borders it will create a drain upon Canadian incomes to the extent that the profits of this company would be added to the actual costs of engaging in the insurance business. Although this is an argument which has been advanced many times, but no oftener than the circumstances which have developed in parliament justify, it does seem to me that the constant barrage of proposals we have been getting for the incorporation of new insurance companies should be an indication to the house and to the Canadian people that as the representatives of the Canadian people we are allowing a state of affairs to continue whereby obviously some people think they must have the opportunity to engage in a very lucrative business.

It is for this reason that I and some of my colleagues have been trying to make it clear that we cannot approve of this state of affairs. I think it is time that the Canadian parliament had a real look at this situation. I believe it is time that the Canadian people should be made aware of how they are being rooked by these people who pose as their benefactors through offering, as they say, the opportunity to be insured against individual loss.

I find it difficult to understand how placidly the majority of the members of this house—and of course as I look around me I note that there great throngs of members who are not in their places—generally are able to accept the continuance of this situation at a time when the Minister of Finance (Mr. Sharp) is telling us we are in a position of some economic difficulty and crisis in this country. We hear complaints from members in all parts of the house about the dangers and effects of the inflation which exists in the country today. Yet there appears to be very little or no apparent realization of the real sources or causes of inflation.

• (6:10 p.m.)

The hon. member for High Park, when sponsoring this bill at the second reading stage, suggested that by the passage of the bill we would increase employment in Canada. The more I think about that remark the more I am driven to the feeling that even though employment might be increased so far as this company is concerned it might decrease so far as another similar company is concerned. The house will recall the remarks of my colleague, the hon. member for Nanaimo Cowichan-The Islands (Mr. Cameron), who said in reply that the number of employees in this country might be increased but there are sufficient facilities and people in the business of supplying insurance services. He suggested there would not be a realistic increase in the number of people employed.

It seems to me that this argument makes it clear that the more people we have in this country engaged in non-wealth producing activities the worse off we are going to be.

Mr. Martin (Timmins): More leeches.

Mr. Barnett: I believe I have used that word on a number of occasions. These people are in effect leeches in our society, and this is the kind of activity which in my view is at the root of inflation. We have people perfectly capable of carrying on this type of activity now engaged in this business. By adding more people we are in effect precluding these people from taking part in a productive activity of some usefulness to the general economy of our society.

There is no better example of that than the entire field of casualty, accident and loss of property insurance. We have heard many debates in this country in respect of automobile insurance, one of the classes of insurance this company proposes to offer. There is an example of how this type of insurance can be made available cheaply and efficiently, and I refer to the publicly operated automobile insurance plan in the province of Saskatchewan. The only overhead involved is the cost of employing an individual in an office where license plates are issued, because the insurance is issued at the same time. There is, of course, the associated cost for the accounting which must be carried out.

The amendment before the house suggests that it is not in the public interest to give second reading to this bill. There have been many debates about a nation-wide insurance scheme to cover the cost of illness. This company is proposing to offer sickness insurance. It would be more efficient and less inflationary if provisions for sickness and loss of income as a result of illness were brought forward by the government as an addition to the medical health plan we hope is put into

effect next July 1. Instead, we have the spectacle of the Minister of Finance trying by indirection to defeat the will of parliament regarding that limited insurance program under public auspices. I am sure this scheme will operate efficiently and at less cost. It should not be sabotaged or delayed.

It would be much more interesting if instead of dealing with the proposals contained in this bill the Minister of Finance would stand in his place and say that as part of his battle to fight inflation he intends to extend the medical care insurance plan to cover sickness insurance as a public responsibility. It is my suggestion that if such a plan were developed for everyone in Canada, anyone who was unfortunate enough to be sick or ill would not suffer a complete loss of income. This is the type of thing in which parliament should be interested instead of a passive acceptance of a situation which allows private businesses owned by foreign enterprises to drain the hard-won wealth of Canadians from this country. Somehow I get the impression that hon. members think we are just being ornery when we stand here making speeches in opposition to the passage of this type of bill.

An hon. Member: There is no doubt about that.

Mr. Barnett: We are trying to make it plain that in respect of bills of this kind we have nothing against the particular company involved but we feel there are sufficient companies engaged in this type of activity. The company named in this bill is no better or worse as far as we know than any other foreign company which attempts to gain control of the financial resources and savings of this country in order to use them somewhere else for the benefit of someone else. I cannot understand why parliament is prepared to carry on this procedure just because it was done 100 years ago. We should not accept this ancient ritual or mumbo jumbo in relation to private enterprise. We should not carry on placidly accepting this type of proposal which will allow the exploitation of the people.

The idea of pooled risk insurance is good but why should the present situation be perpetuated? The Canadian people are being forced to obtain protection through pooled risk insurance in a slap-dash, haphazard, inefficient and expensive way. This is the reasoning behind the amendment that this bill be not now read a second time but be read this day six months hence. Everyone is aware of the intent of such a motion. While it suggests a period of six months, members of the house realize that it means the proposal should not be accepted by parliament during this or any other session. That is the proposal we have before us in the amendment moved by the hon. member for Broadview (Mr. Gilbert), seconded by the hon. member for Nickel Belt (Mr. Fawcett).

• (6:20 p.m.)

I would like to see members in other quarters of the house participate in debating this whole issue because in my submission this question is coming closer to home all the time. I think hon. members should realize that in this respect we cannot forever delay a decision on whether we are going to move toward the efficient operation of pooled risk as protection against individual loss under an efficiently operated public plan.

Mr. Deputy Speaker: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. M. W. Martin (Timmins): Mr. Speaker, I would like to say a few words on a couple of points that have been raised by my colleague the hon. member for—

Mr. Barnett: Comox-Alberni.

Mr. Martin (Timmins): Yes, Comox-Alberni. I keep getting these double and triple name constituencies mixed up. It seems that almost every hon. member from that far province has three or four long and tongue-twisting names to his constituency.

I should like to dwell for a few moments on one of the points raised by the previous speaker. If this bill is passed by the house and the company is incorporated, all it will really do is add one more to the great conglomeration of such companies that we have at the present time. I should also like to dwell for a few moments on some of the implications involved in this proposal. If this company is to operate successfully once it is established it will have a tough row to hoe. It will have to start a great advertising campaign to make itself known. It will have to buck the other companies. It will have to take advantage of the various advertising media—newspapers, radio and television. It will probably have to compete with some of the companies that now bring us all this great, free entertainment about which we hear so much, those that bring us free shows and hour-long television broadcasts. Of

course, we are told that this is all for free but we must take that at its face value.

Unfortunately the unsuspecting public in this country far too often does not realize how dearly they have to pay for all this supposedly free entertainment that they receive. This is one thing which, unfortunately, is not brought home to the people. Far too often we tend to go along unsuspectingly and believe in the Santa Claus concept that we are getting all these things free.

If this company is to be successful it will have to get the ear and the eye of the Canadian public. It will have to spend a great deal of money to do this. This expenditure will, of course, be passed on to the customer and be paid by him as is the case with all advertising expenditures in our society. If the company does become successful it will stimulate all other such companies to try to recoup their losses and offset the inroads made by the new company. Other companies will have to increase their advertising budgets, sponsor bigger and better shows, and what have you. Who pays the bill for this? The same people, namely, the poor customers who have to turn to these companies to obtain for themselves and their families protection against loss from fire, death and so on. Thus, all we are doing by incorporating this company is adding to the rat race and compounding the situation.

I recall saying some years ago, when speaking on a similar subject, that it appeared the advertising and promotional organs of our society seemed to be working toward one end, to make the public buy what they do not need, with money they do not have, to impress people they do not like. After watching our society progress, if one can call it progression, over the years since making that remark I am reinforced in this belief.

As I say, the passage of the bill before us will result in adding one more to the great proliferation of companies that we have at the present time. Once more the general public, who will have to support this company when it becomes operative, will be inveigled into buying what they do not need and will possibly have to divert badly needed funds to pay the tariff for this protection, forgetting all the while that written right into the premium they will have to pay are all the costs that have been mentioned, the tremendous advertising costs which the company will have to incur in order to make its mark in the sun, so to speak, in the Canadian field.

The hon. member gave a rather good description of this company. He likened it to alphabet soup and said one of the letters of the alphabet was "c" and referred to "car" insurance. This company is apparently desirous of getting into the car insurance field. That seems rather strange in this day and age when all we hear from those companies already in the car insurance field are great screams of anguish because they are losing money. They would all like to get out of the field and are raising insurance rates at a terrific pace year by year. It seems rather strange that a company which has never been in the field would want to get into this type of money-losing proposition.

The time of this house would probably be put to much better use if we devoted our energy, effort, intelligence and brains to trying to devise ways of cutting down the rapidly increasing cost of car insurance rather than passing a bill of this nature which will create another creature that will add to the bloated cost that the long-suffering Canadian driving public has to bear. We would be far better employed looking into the whole concept of car insurance in this country and trying to reduce some of the great, unnecessary costs that we have to bear at the present time, not the least of which is the tremendous cost of litigation which is so rampant in this particular field. Many of my constituents have asked me why this continues. Is it because so many members of the legal profession are passing the laws in the House of Commons, and is this why they retain such a bonanza for the legal profession in this particular field? Frankly, I do not know. I do not like to accuse any of my colleagues who may belong to that profession of any such ideas, but it certainly does make the public wonder if in fact this is one of the reasons.

• (6:30 p.m.)

When we realize how little the paying public receives in benefits out of the premium dollar that they pay for their protection, we are made aware of the tragic and vicious situation. I recall a silicotic pensioner coming to me to see whether I could assist him because his young son at the age of 18 had become involved in a car accident. After two years of running through the courts, a decision was handed down requiring the young man to pay something in the neighborhood of $37,000. The father and the son had to go to the courts twice, first to establish the liability

and then because the young lad was unemployed and his father had no money. Then they had to make application under what is known as the unsatisfied judgment fund. Here was this young fellow of 18 having to pay some $37,000, with interest accruing month by month. His father asked for my advice. Having had experience with one or two similar cases which I had investigated on behalf of my constituents, I gave him some frank advice, telling him that the only thing I could recommend was for his son to take the first boat to Australia, because he would never earn enough to get his head above water in such a situation.

It seems to me that surely, in view of the great number of insurance companies dealing with car insurance in this country at the present time, we will not improve the situation nor give better protection to the Canadian people by adding one more such company to the list. Our goal should be to work on behalf of our constituents and on behalf of the Canadian people so as to improve their lot, and not to pass a bill like this one which throws another yoke around the neck of the Canadian taxpayer.

Another point was raised by the previous speaker when he spoke about some of the problems a bill such as this one raises. He pointed out that the company we are discussing is foreign-owned, and that the profits it makes—let us face the fact that these companies are in business to make profit; they are not benevolent organizations—will be a drain on our country and will continue to add to the problem the Minister of Finance (Mr. Sharp) has to cope with from time to time with regard to the balance of payments between Canada and the United States. If we pass this bill, what we will be doing in effect is to aggravate the situation.

Not long ago we had a bill before us—I am not sure of the date we discussed it, nor the number of the bill—for the incorporation of a company somewhat similar to the one we are now discussing, which undertook and guaranteed to become all-Canadian within ten years. I will be prepared at the appropriate time to propose an amendment requiring the same in this instance, because it appears to me that this is a very reasonable suggestion. After all, these companies come into Canada and ask the parliament of this country to pass a bill which would incorporate them, thus enabling them to ply their trade here. In view of the fact that, as I have said, they will add to the problems, trials and tribulations of the Minister of Finance and of the Canadian government I think it is only fair that we should have some guarantee that this will only be a temporary situation, and that we can look forward to a day in the not too distant future when this problem will be resolved.

This is about all that I have to say on the bill at the present time. I suggest that hon. members should consider with greater care bills such as this one, and should not automatically let them slide through —because this is what we have been doing for many years. I think certain aspects of this bill should receive close scrutiny from all hon. members, if we are to carry out our responsibility to our constituents and to the people of this country.

Mr. Bud Germa (Sudbury): Mr. Speaker, I think the concept of insurance is universally accepted by the majority of the Canadian population. We realize insurance is particularly necessary for the people who do not have the financial means to protect themselves from inadvertent loss, injury or damage. Therefore I believe that the concept of insurance is accepted by all of us. We hope this will continue, so as to enable people in the category I have mentioned to protect themselves. At the same time I think that those people who are less secure financially than the average person are entitled to protection at the minimum possible cost. Basically this is the reason why members in this corner of the house have for many years proposed that certain types of insurance, such as health insurance, automobile insurance and various other types of protection, should be supplied by the government at a basic cost.

In Canada there is a sufficiently large number of insurance companies to supply the protection which we require at the present time. If we add to their numbers we will be increasing the cost of insurance to the people requiring coverage. I believe that in Ontario there are 125 companies selling medical insurance. Each one of these companies, of course, has to have a president, 10 or 12 vice presidents and a couple of hundred salesmen scattered through the province, thus wasting time and money. I do not consider these people to be on the productive side of our economy. I feel they are more on the consumer side or the parasitic side, because in my view all things are paid for by those who produce the wealth. I do not believe selling insurance policies creates any new wealth; it is just using up the wealth that has been

created by others who see fit to make that sort of contribution to our country.

• (6:40 p.m.)

At the moment there is a shortage of funds in Canada with which to carry out those measures we believe are important to the social aspects of this country. The incorporation of another insurance company would drain from our capital market funds with which the company would probably put up a 50 storey office building in the city of Toronto. The money expended on this air conditioned skyscraper could be used to build 10,000 houses for those people who see fit to produce the wealth, but who cannot get their hands on the material or money to enable them to obtain decent housing.

The building of more insurance company offices would not only be unwise, but it would detract from those projects we feel the country most sorely needs.

There is another threat in Canada today. The popular theme is that we cannot improve our standard of living until we increase our productivity. For the past eight or nine years, our productivity has risen from 3 per cent to 7 per cent. These people urge that if we are to increase our standard of living we must increase our output of goods. If we use this as a yardstick, then we must say that the more of us who contribute our time to production the more our productivity level will rise. Perhaps this is one of the reasons our productivity level has not risen as we think it should have, or as the economic council has recommended.

We see that there are some sectors of our society who are certainly doing their best to increase productivity. The steel workers, for example, are working hard to hold up these productivity figures. In fact they are working to such a degree that the productivity increase effected by steel workers in Canada is higher than for steel workers in the United States. This brings us back to a consideration of the question of wage parity. Why should not those who make steel in Canada get higher wages than those who make it in the United States, since the Canadian workers are producing more? As I say, therefore, the question of wage parity comes into this problem. When a man produces, certainly he should receive his just reward for that production.

By pulling all these insurance salesmen out of the production side of our society and putting them on the parasitic side, we are going to reduce our productivity. This would be bad for the entire population. Not only does it throw a heavier burden on those who have to try to hold up the productivity level, but I think everyone has to accept a certain degree of responsibility for the production of wealth in this country of ours.

During the last 31 years I have been on the production side of our society, and then six months ago I joined the parasitic side. I sit here tonight and feast on those who go down in the mines, in the mills or smelters, or wherever they are. Certainly, I did not want to come here to join this non-productive group of people. I think the main reason for my coming here was to help the ones who are carrying the load—and I am referring to the individuals who would have to go out and buy insurance at inflated prices. Certainly, Mr. Speaker, we have to look further than merely creating another insurance company; we have to think how this will affect Canada.

This company seeks to conduct business in many fields, one of which is fire insurance, one of the most important aspects of the insurance industry. Regardless of how poor a man is, he has to have a dwelling wherein he may find shelter. Certainly if this building, regardless of its value, is devastated by fire, he is out in the cold. He has to protect himself; so he has to go out and buy this type of insurance, regardless of price. I believe he has to pay a price which bears no relationship to the protection he receives.

The hon. member for Timmins (Mr. Martin) cited some of the excessive costs, including television programs, which insurance companies have incurred. We all know the cost of these things, and we all know who ultimately bears the cost. It is the person who has to go to the marketplace and buy insurance. When these people are watching television at night, they do not realize they have paid for the program ten times over, and could probably go down to the corner theatre and see the same show for less. This is an expensive advertising medium. The insurance companies show no restraint, in the knowledge that, regardless of what they spend on programs—$30,000 or $40,000 their salesmen will be out on the street tomorrow recouping that loss from the poor, innocent, unwashed victims who are on the productive side of society.

There is one other aspect of insurance with which this company proposes to deal, and that is insurance on motor vehicles. In Ontario alone there are approximately 400

companies selling automobile insurance. I am sure you are aware, Mr. Speaker, in fact I believe everybody in Ontario is aware of the high cost of protecting an automobile from accident or protecting yourself from a damage suit. The other day I saw a figure indicating how much the people of Ontario spend for this type of insurance, and if I remember correctly it was about $600 million that was being spent for dubious insurance protection.

• (6:50 p.m.)

One inherent weakness of all automobile insurance policies in Ontario is that the policyholder must prove negligence before he can recover damages. Let me explain this further. I have paid my insurance premium of $200. Car drivers in Ontario who are not insured must pay into what is called the unsatisfied judgment fund. This is the best name for it, because everyone who goes to the fund comes away unsatisfied. So it was not a misnomer when it was called the unsatisfied judgment fund. Either people pay their contributions to the fund, or they are forced into an insurance office.

Let me suppose, to illustrate my point, that while I am walking down the shoulder of a road tonight a hit and run driver runs me over and breaks both my legs. I am left lying in the road in the dark. There is no way I can secure compensation for the damage done to my body, let alone the loss of income, the inconvenience and the pain and suffering. Even though this hit and run driver may have paid an insurance premium and I have paid mine, and even though I have suffered physical damage in that my legs are broken —damage which might be worth $5,000 or $6,000—the insurance companies are not obligated to accept any responsibility because I cannot identify the driver who ran over me.

Obviously, Mr. Speaker, I cannot chase after the car if both my legs are broken, and obtain some sort of compensation. Therefore I suggest I am paying for a protection that I am not receiving. Each and every one of us walks along the streets of Ontario today at his own risk, even though collectively we have spent $600 million or so on insurance coverage.

I suggest we should be considering situations of this kind instead of proliferating insurance companies that do not seek to insure us. The last thing in their minds is to provide anybody with protection from loss; they are motivated only to make money. They even write into their contracts, in fine print all sorts of exemptions. A bill was introduced the other day which sought to remove fine print clauses from such contracts. It was suggested that certain clauses be written in red, blue, green or purple ink, but I suggest that this would not solve the problem. We should strike at the root of the matter.

As I was saying, Mr. Speaker, insurance companies are not in business to protect me. They would not care two hoots in hell if I remained on the road with broken legs all night, as long as this did not cost them any money. They make their money by failing to give protection that collectively we have contracted with them to provide. Some people might say that $200 a year is not an enormous sum, but collectively we contribute a tremendous amount of money by way of insurance premiums.

Automobile insurance companies in Ontario also use gimmicks to raise their rates. Each and every year they invent a different story. One gimmick that was used downgraded their income, so they could go to the public and ask for what they considered to be a legitimate increase in insurance premiums. These premiums, as you know, Mr. Speaker, are paid in advance. I pay my premium for a 12-month period, even though I do not receive the benefit of the insurance until the 365th day. I prepay my $200, or whatever it is, 365 days before the policy falls due. Some people who understand finance prefer to make quarterly premiums or half yearly premiums. I think the only way to deal with these people is to pay each day's premium the night before. In addition, you do not receive any discount or interest on prepaid premiums, so under the present system it is therefore impossible to get value for your money. These insurance companies use your money free of interest, and hundreds of millions of dollars are involved. I remember I borrowed some of this money that I gave them free of interest to finance some construction on my house, but I had to pay 8½ per cent interest.

This aspect of the matter is bad enough, Mr. Speaker, but according to the figures supplied by insurance companies, prepaid premiums produce revenue for these companies. However, this earning does not show in the balance sheets of insurance companies. I suggest that the returns made by these companies should be straightened out and—

Mr. Deputy Speaker: Order. I must advise the hon. member that the time allotted to

him has expired. Is the house ready for the question?

Some hon. Members: Seven o'clock.

Mr. Deputy Speaker: It being seven o'clock, the hour appointed for the consideration of private members business has expired. The house will now resume the business interrupted at six o'clock.

CRIMINAL CODE

AMENDMENTS RESPECTING DEATH SENTENCE AND LIFE IMPRISONMENT

The house resumed consideration in committee of Bill No. C-168, to amend the Criminal Code—Mr. Pennell—Mr. Batten in the chair.

On clause 1—*Capital murder defined.*

The Chairman: Order. House again in committee of the whole on Bill C-168, to amend the Criminal Code. It being seven o'clock I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: The house in committee on Bill No. C-168, to amend the Criminal Code. Shall clause 1 carry?

Mr. Woolliams: Before I proceed, and possibly to shorten the time that need be spent in discussion, may I ask the Solicitor General whether he has discussed with his advisers and experts the matter that was raised before the supper break? Has he discussed it with other members of the government, and is he prepared to accept the amendment of which he was informed in the house, and about which I talked with him privately?

Mr. Pennell: I have given the hon. member's proposed amendment serious consideration. Speaking for myself, and only for myself, I must advise the hon. member that I cannot support the amendment.

Mr. Woolliams: Then, Mr. Chairman, I shall not delay. I may point out that I shall move an amendment at the end of my remarks.

The bill we are now discussing in committee of the whole abolishes capital punishment except in the instance where a police officer, or a warden or guard in a penitentiary is murdered. As I say, in all other instances the death penalty has been abolished. This afternoon I asked the Solicitor General to consider that certain sections of the Criminal Code put ordinary citizens into positions occupied, at certain times, by police officers. In my hand I have the 1967 edition of Martin's Annual Criminal Code. It is up to date; I know that the Code has been changed. According to Martin's Annual Criminal Code, section 110 of the Code, in part, reads as follows:

> 110. Every one who—
>
> (b) omits, without reasonable excuse, to assist a public officer or peace officer in the execution of his duty in arresting a person or in preserving the peace, after having reasonable notice that he is required to do so, . . .
>
> is guilty of an indictable offence and is liable to imprisonment for two years.

I raised the question this afternoon about the citizen who is in the bank while a bank robbery is committed. Let us say that a policeman comes in, turns to the citizen and says, "Help me to arrest this bank robber." The citizen must help the policeman, because that is his legal duty under the Criminal Code. He then accepts the full responsibility that is the police officer's, and takes the chances that the policeman then takes. Under the Criminal Code the citizen is the equal of the policeman, but he is not the equal of the policeman under this bill. Under the bill, if that person, whose legal obligation is to help the policeman, is killed, then his murderer may not be sentenced to any more than life imprisonment. If the accused, the murderer, were to kill the police officer, on conviction he would be liable to the penalty of capital punishment.

Let us take the matter further and look at section 434 of the Criminal Code which says:

> Any one may arrest without warrant a person whom he finds committing an indictable offence.

Supposing that we leave our home one evening and go to a local store; supposing that on our way we find someone trying to break into another store. This other store is locked, and the man trying to break in is committing an indictable offence. Our legal obligation under the code is to arrest that person who is committing the indictable offence. If we assume that obligation, which it is our responsibility under the Code to assume, and if we are killed while exercising that responsibility, the murderer, in this case the accused, will be sent to jail for life. Had a

policeman come along and been killed, the accused, on conviction, would have been sentenced to death. What kind of nonsense is this?

Taking my argument further, section 436 of the Criminal Code reads:

> Any one may arrest without warrant a person who, on reasonable and probable grounds, he believes
> (a) has committed a criminal offence, and
> (b) is
> (i) escaping from, and
> (ii) freshly pursued by, persons who have lawful authority to arrest that person.

The provisions of sections 434 and 436 are almost identical. In other words, to come to grips with the subject quickly, if a person who accepts his responsibilities under the Criminal Code arrests someone who is committing an indictable offence and is killed, the murderer, under this bill, will be sentenced to life imprisonment. On the other hand, if the accused kills a policeman, he will swing.

• (8:10 p.m.)

The Solicitor General said the only way in which he could get this bill through the house was by moving it in its present form. I say to the abolitionists that for those who really want to abolish capital punishment, this bill is a hoax. The minister is telling us, in effect, that he has had to play ducks and drakes with the House of Commons by getting the bill drafted in such a way that if a person kills a police officer, and is found guilty of capital murder, he receives the penalty of capital punishment, whereas if he kills a civilian who is doing the same job as a policeman, the penalty is life imprisonment. Hon. members opposite have created second class citizens; that is what they have done.

The Solicitor General knows I have a great deal of affection for him, and I respect his sincerity and his honesty. But he is telling us, in effect: I know this is a bad bill, but I cannot get it through unless I put these titbits in to win over retentionist votes. I say he and his friends are making a complete mockery of justice. This is the strongest argument I can make. If there is any moral, legal or logical idea in this bill in favour of singling out any particular class, then it is right to follow the same course with respect to everyone taking on the same responsibilities. Let us have no second class citizens in Canada.

An hon. Member: Question. You are wasting your energy.

[Mr. Woolliams.]

Mr. Woolliams: I may be wasting my energy, but it is time someone stood up and said these things. I voted against abolition, but I would prefer to vote for complete abolition rather than vote for the bill before us, because it is a bad bill and it makes a complete mockery of justice. The only reason the Solicitor General and his friends will vote against this amendment is that they want to pilot this bill through, no matter how bad it is and no matter what it does to the administration of justice.

Surely, when we are dealing with a matter as important as the administration of justice we ought to be men of principle, men of sincerity. If hon. members opposite believe in abolition, let them be sincere in expressing that principle. This is a democracy. If a bill in favour of abolition goes through the house I am prepared to accept it 100 per cent. But I would prefer to see complete abolition, than support a bill the effect of which is to throw out a few crumbs with the object of getting it through. Does not this prove what I said at the opening of this debate? What the government is really doing is this: It attempting to legalize what it has done illegally. It is designed to help the consciences of hon. gentlemen opposite. Justice cannot be administered on this basis; I say this in all seriousness.

We criticize what is going on here and there among young people today. If there is anything wrong it is we who are responsible. As long as we implement such laws as this in parliament, how can young people have any respect for parliament or for the Prime Minister or for the Solicitor General? We have made a mockery out of justice and we are responsible if we fail to invest law and justice with the dignity they deserve. We are in danger of eroding the morality upon which a great democracy is built. This is so important that I have decided to say a few words about it tonight.

An hon. Member: About democracy?

Mr. Woolliams: The hon. member is a friend of mine. I did not think he would want to heckle me while I am speaking on this important subject. I realize he is an abolitionist and I respect his views. He is in favour of complete abolition and I know he would want good laws.

What the Solicitor General is arguing is still worse. It is likely to bring society down to a level which we would all abhor—a women murdered in broad daylight on the

streets of one of our cities, and no one coming to her protection. This is what may happen in Canada. When the policeman calls "Assist me because I am unable to tackle this gang", do you know what a citizen is going to say? He will answer that he refuses to assist because of a law which was passed in parliament. How can we have any respect for this law? Better to make it entirely in favour of abolition, because this is a bad law and hon. gentlemen opposite are making a mockery of justice.

If a citizen fails to come forward and assist the police when requested, he can be charged and sent to gaol for two years. Will the minister tell us that he intends to see that this law is carried out, or that the attorneys general of the various provinces will implement this particular provision? I question it. As far as I am concerned, there is no foundation for such a bad law. If it is intended to make an exemption, let us make a logical and reasonable exemption. Otherwise this is just a device used to get a measure through this house, no matter how bad it is, no matter that it lacks all principle. It is simply a matter of expediency.

I heard one hon. member say "oh". I do not believe the Acting Prime Minister will take that attitude. I believe he realizes that my stand is a correct one. When we pass laws, let us make sure they are reasonable laws. I have voted in favour of retention but I am prepared to vote for complete abolition rather than vote for such a version as this.

An hon. Member: Why didn't you?

Mr. Woolliams: I will answer that question. I thought the Solicitor General would accept the amendment—that he would appreciate the weakness in the bill as drafted. I do not think this weakness was realized until I raised the point, and the hon. gentleman's colleagues are now saying to him: "Do not change it; we will railroad the bill through, bad or not." They say it is to be a free vote. I leave that to the consciences of everyone here. I have read out the relevant sections of the code, and I say the government is legislating to establish two classes of people tonight. Remember, we are not dealing with unimportant situations; we are dealing with a matter which affects the morality of the country, the criminal law and the administration of justice.

• (8:20 p.m.)

If the citizens of the country do not respect law, then the first seeds of that which brings about riots and other conditions in society have been sown. This is what has happened in the United States. Therefore, I intend to move my amendment now. I move:

That after the words "employed for" in the eleventh line of section 1 subsection (2) (a) will be added the words "or engaged in" and the word "duties" in the same subsection line 13 be deleted and the word "duty" be substituted therefor.

Mr. Churchill: Mr. Chairman, it is with reluctance that I again enter into this debate. It was with reluctance I discovered that the subject of capital punishment was to come before us again this year, after having been decided by the house a year and a half ago. Two weeks ago when I on short notice participated in the debate on second reading I was reluctant to do so because of the subject matter. Well, despite that feeling on my part, I am obliged tonight to enter into the discussion because of the nature of the debate generally and the way in which the Solicitor General is resisting a reasonable approach on this occasion.

Before the adjournment for the supper hour I expressed some regret at the nature of the contribution that was made by the Prime Minister when he spoke on this bill, and when he emphasized that retaliation was one of the main points, apparently, of those who favoured retention, and that deterrence was the other. He gave the greater emphasis to deterrence. I pointed out how he had failed to deal with the other arguments which had been produced in this house, and certainly the argument which I made concerning the protection of society.

I am not at all concerned about retaliation; I reject that. On the subject matter of deterrence I have said in the past that I thought the statistics quoted on each side of the problem were not convincing. I rejected the statement of those who said that fear of punishment or fear of death was not a factor with regard to those who committed crimes. I still remain unconvinced with regard to that argument.

I notice, sir, that over in Great Britain where the abolition of capital punishment has been in effect for two years there has been an increase in crimes of capital murder. I think the Solicitor General, when he was giving us figures the other day, should have drawn that to our attention. I happened to be in England a month ago. In the newspapers I read a public letter by Duncan Sandys, member of parliament, which pointed out that the five year experimental abolition of capital punishment in England was to come to an

end in 1970, at which time parliament would have an opportunity to take further action. He has called upon people to sign a petition urging the re-introduction of capital punishment at the end of the five year experimental period. In that letter he drew attention to the increase in the crimes of capital murder. Those who have argued for and against the deterrent value of capital punishment should have brought this to our attention. I think the Solicitor General, who is quite a fair person, might have done so.

I should like to quote now from the Stornoway *Gazette and West Coast Advertiser* of October 28, 1967. Mr. Duncan Sandys pointed out that there have been 71 capital murders in the two years, since the deterrent of capital punishment was removed, and that this compares with 41 such murders during the two previous years. He said that in other words the rate has risen by no less than 73 per cent. Then he goes on to point out the offences in which firearms were used, any of which might well have resulted in murder. The number has risen from 731 in 1964 to 1,511 in 1966, an increase of over 100 per cent. It is not only in respect of England that we are aware of the increase in serious crimes.

When I spoke on this subject previously this fall I suggested a compromise which passed unnoticed by those who argued for complete abolition and those who now are arguing for partial abolition. I said, why not leave the statute as it is, in case we have to make use of it in the future because of the development of organized crime and the rising crime rate in our country, in the United States and in England? I was very charitable toward the present government. I know they have been commuting all the cases that have come before them. I did not criticize them severely for that, because of my experience while on the government side. I said that with the prerogative of mercy resting in the hands of the governor in council I was not prepared to offer criticism in respect of any particular case which has come before the cabinet. I know they have more information in their possession than I have in my possession, because I can go only by what I read in the newspapers concerning these crimes.

• (8:30 p.m.)

On the basis of the superficial evidence I have I think the cabinet has been wrong. Again let me say this is not an accusation I am making, but I do suggest that we should let the law stand as it is now on the statute books, in the event we may need it. Let us not be put in the position of having a serious outbreak of crime and being forced to reverse the process by reinstating capital punishment. That is precisely what is going on in Great Britain. Having abolished capital punishment they now wish to reinstate it on the statute books. The petition of Mr. Duncan Sandys has the support of a number of members of parliament in all parties. This situation cuts right across party distinctions.

The other day I asked the Solicitor General a question regarding a public opinion survey that was carried out at Expo.

Mr. Byrne: I rise on a point of order, Mr. Chairman. Without quoting the appropriate citation in Beauchesne's, I should like to direct your attention to the fact that the hon. member is now reflecting on a decision—

Mr. Monteith: Will you please sit down?

Mr. Byrne: This is a question involving—

Mr. Monteith: I mean it. Will you sit down and let the hon. gentleman speak?

Mr. Byrne: Mr. Chairman, since when has it become improper for an hon. member to raise a point of order?

Mr. Monteith: Any point of order that you might raise would be redundant.

Mr. Byrne: Mr. Chairman, I certainly intend to ask you to make a ruling as to whether the house has made a decision in respect of the principle of this bill, and whether the argument now posed by the hon. member for Winnipeg South Centre is a reflection on the decision this house took earlier today.

Mr. Monteith: We are on clause one.

Mr. Churchill: I understand we are dealing with clause one of the bill, and it has been the practice in this house to hold a general discussion at this stage. When could a general discussion be held, except when we are discussing clause one?

Mr. Byrne: You had an opportunity during second reading.

Mr. Churchill: If I am out of order I expect the Chairman will so instruct me, but he has given no indication of that.

Mr. Byrne: Mr. Chairman, on a point of order—

An hon. Member: Why don't you go back to sleep again?

Mr. Byrne: I should like to ask the Chair to rule as to whether or not the hon. member is making a reflection upon a decision of this house, and I refer to the acceptance in principle of this bill.

The Chairman: The Chair is familiar with the substance of clause one. It is my opinion that it is close to the substance of the principle of the bill which was discussed at the second reading stage. However, it is a little difficult to decide that what is being said now is not in accordance with the substance of clause one. In any event, I would ask the hon. member for Winnipeg South Centre to continue.

Mr. Churchill: Thank you, Mr. Chairman.

An hon. Member: I think he is out of order.

Mr. Monteith: He is nothing of the sort; he is not out of order.

Mr. More: Mr. Chairman, I think the member has just reflected on the ruling of the Chair, and that he should be ruled out of order.

The Chairman: Perhaps the best thing for the committee to do is allow the hon. member for Winnipeg South Centre to continue with the bill.

Mr. Churchill: Mr. Chairman, I was drawing attention to the fact that I posed a question the other day based on a statement I read in the newspaper to the effect that an opinion poll had been held at the Canadian pavilion at Expo regarding the abolition of capital punishment. *Hansard* has recorded my question based on the report, which indicated that 19,000 voted in favour of abolition and 5,500,000 voted against. I now ask the Solicitor General whether this poll was conducted at the Canadian pavilion and, if so, by which department, and are these figures accurate? The Solicitor General did not answer that question, although he said he knew nothing about it. Since I asked the question two days have elapsed and I have not yet received and answer. This whole matter has been referred to in letters carried by various newspapers, and it has been brought to my attention by a citizen who wrote me. If this report is accurate I suggest that parliament is now attempting to accomplish something which is not in accord with the general feeling of the citizens of this country.

I am prepared to support the amendment moved by the hon. member for Bow River. His argument was very ably presented, and I should like to reiterate his surprise that the Solicitor General would not accept the principle of the amendment. Its purpose is simply to place a citizen who is acting to protect society, in accordance with the law, in the same position as a police officer and others mentioned in the bill. Surely there is nothing wrong with that suggestion. As mentioned by the hon. member for Bow River, it will soon become known that a citizen acting conjointly with an officer of the law, or on his own, in upholding the law, might be in serious danger because he is not protected. I presume that these citizens will wonder why they should co-operate with our police forces or attempt to assist in upholding the law. Surely it would be wrong to create this feeling among our citizenry. I suggest we should do the opposite. We should encourage our citizens to help uphold the law by supporting our police forces. Unless this amendment is accepted the reverse will occur.

A criminal who kills a citizen who is assisting a police officer should be subject to the same penalty as a criminal who kills a member of a police force. That is all we are attempting to accomplish by this amendment, and it is inconceivable that the Solicitor General and the government would not accept that proposition. If the government is not going to accept the amendment we should be told why. We have not put this amendment forward as a delaying tactic, as some people might argue. It has been put forward in all seriousness, because there is an omission in the bill. We are not unfamiliar with omissions in bills placed before this house during the last four years. If someone listed the bills of major importance this government has introduced which have not been subject to amendment, it would be very small. Every bill of major importance brought before this house in the last four years has been amended because of loose drafting, omission of something of that nature.

• (8:40 p.m.)

All we are suggesting is that this point has been overlooked. We are finding no fault with anyone. We are finding no fault with the drafters, no fault with the Solicitor General. We are simply saying that when many minds are applied to a bill in this house, someone very frequently discovers there has

been some error or omission in the bill. That is what has happened in this case. We say to the Solicitor General, correct this error and then we will proceed.

It is on that basis that the amendment has been presented tonight. I can certainly go along with what the hon. member for Bow River has said with regard to the bill in general, which is partially for abolition and partially for retention of the death penalty. I do not like it. There are many people in the house who do not like it. Part of my reluctance earlier was just because of the nature of the bill.

I expressed my regrets that some very close friends of mine who are and have been eloquent advocates of the abolition of capital punishment have been placed in the position in which this government placed them today, namely that the bill compels people to vote for abolition with respect to certain categories of murder and retention with regard to others. I honestly cannot understand how a bill of this nature can be supported.

I agree with the hon. member for Bow River that it would be far better to vote either for or against abolition, so that one's decision is clearcut and definite. But the Solicitor General has indicated to us that the bill would have failed unless he had introduced these extra clauses which exempt most categories of criminals, but place a severe penalty on those who are so foolish as to kill an officer of the law.

The Solicitor General says that only by introducing this type of bill could he gain sufficient voting support to get his bill through the house. I have respect for the Solicitor General, but wonder whether his conscience is very easy over this method of approach. I do not think it can be. Certainly as far as I am concerned, I believe we should continue to press him now to make the modification that we are suggesting. If this bill is eventually to become the law of the land, let us fix it up in those areas in which it is deficient in its wording. Here there has been an omission which the Solicitor General should correct. That is my submission, Mr. Chairman, with regard to the amendment proposed by the hon. member for Bow River, which I shall have great pleasure in supporting.

Mr. Greene: Mr. Chairman, I quite accept the view of the hon. member who spoke last, that this is not an amendment to delay or water down this bill in an attempt to make it meaningless, although the spate of amendments that has been presented to the house today might indicate that there was some such tactic or plan.

Mr. Churchill: That is unfair, Mr. Chairman. May I ask the hon. member a question? Is he suggesting that when I introduced the amendment with regard to children, that was done as a delaying tactic, or was it done with a sincere desire to protect the children of this country?

Mr. Greene: I say, Mr. Chairman, that the spate of amendments that has been presented here today might have been an indication that some hon. members wished to delay the passage of this bill or water it down to a point that would not bring it as close to abolition as the bill attempts to do. However, the hon. member has said that this is not his intent, and I have stated that I accept his view in that regard.

Mr. Monteith: That is nice of you.

Mr. Greene: I wish to draw one or two points to the attention of the committee with respect to the amendment of the hon. member for Bow River. I feel sure that as an experienced counsel he would not wish to mislead or leave anything on the record that was not very clear according to the law as it exists, and not the law as he would like it to be for the purpose of his argument.

I believe the hon. member for Bow River attempted in his argument to propound the proposition to the committee that irrespective of the circumstances, under section 110 of the Criminal Code there is a duty on a citizen to obey the order of a peace officer with respect to aiding him when a crime is being perpetrated. I think the hon. member tried to leave the inference that if a crime were being perpetrated under such circumstances that might indicate that murder or killing would occur, an order of a peace officer should be obeyed willy-nilly.

In the first place, of course, whether any peace officer would give such an order to a citizen to aid him in circumstances where the citizen might lose his life is highly questionable. But in any event, I think the law should be made very clear so that hon. members may clearly understand the argument before the committee.

Section 110 of the Criminal Code says very clearly that a citizen must obey such an order only where the circumstances are such that he does not have a reasonable excuse for

not obeying the order. Certainly to my mind that indicates very clearly that if the circumstances are such that the citizen asked to help a peace officer might lose his life, the citizen would have a reasonable excuse for not obeying such an order.

Mr. Bell (Carleton): What good would that be, if he lost his life?

Mr. Greene: So the law is not, as the hon. member for Bow River appeared to me to indicate in his argument, that the citizen has to obey such an order whether he likes it or not. The law is quite clear, that if the citizen has reasonable excuse for not obeying such an order, it is not incumbent upon him to obey the order.

This of course is what the Solicitor General in his opening remarks to the committee tried to make very clear, namely that in each set of circumstances the duty of the citizen differs, depending upon those circumstances. I think this should be made very clear in the argument put forward on this point.

I think the hon. member for Bow River, I am sure inadvertently or out of enthusiasm in making his argument, did not very clearly bring to the attention of the committee that the words of sections 434 and 436 of the Criminal Code are that a citizen "may" arrest without warrant a person under the circumstances envisaged in these sections of the Code.

There is no duty upon a citizen, as the hon. member for Bow River tried to indicate, to make an arrest without a warrant. This is quite clearly within the purview of police officers or peace officers and is not within the purview of an ordinary citizen. The ordinary citizen has the right to do so if he wishes. He can do so, as the sections say, but there is no duty upon him, and it is not incumbent upon him to do so. I think this should be very clear in the record of the house and should not be left in the context of the argument of the hon. member for Bow River, who suggested that there was a duty upon the citizen to make an arrest under those circumstances.

• (8:50 p.m.)

I should like to say in conclusion, because I wish to be very brief in this argument, that the hon. member for Bow River remarked that the Solicitor General was playing ducks and drakes with the house, that he was using this approach as a matter of expediency, that irrespective of the nature of the bill as he is presenting it he is just using the device of adding "a few gimmicks", as the hon. member put it, in order to get the bill through the house. I think this is a very unfair criticism and an improper argument. To those who believe that any movement away from the original concept that an eye for an eye, a tooth for a tooth and a life for a life, is progress; to those who believe that the state no more than anyone else has the right to take a life; to those who believe that movement in that direction is progress; to those who believe that humanity in any society is improved when it comes to the point where it no longer takes a life—surely any step in this direction is a step toward progress.

I should like to remind the hon. member for Bow Rover, who has great respect and reverence for the house and who urges the government continually to heed the dictates of the house, that the last time a vote was taken on this issue it appeared from the record that the majority of the members of the house would have supported a bill worded in the terms of the present one. This appears to be the consensus of the house at that time when we analyze the statistics of the voting. Therefore this bill is couched in terms which represent the last views of the house, according to the analysis of the voting at that time. I do not think this is playing ducks and drakes with the house in any way, shape or form. It is an attempt to bring before the house a bill which is worded in the very terms that the house would have approved at that time.

To those who believe any movement toward abolition is progress in human terms and is the building of a better society, there is a duty to bring before the house a bill worded along the lines which the house would have supported when it last dealt with the matter, and which would indicate the maximum degree of abolition the house would appear to have supported on the last occasion when it had the opportunity to vote on this subject.

Mr. Pugh: The Minister of Agriculture has supplied us with a good deal of information. I have always considered him to be one who tries most often to plow a straight furrow; but at the same time I believe he is a little off beat on this whole matter. The amendment now before us deals with the citizens who come to the aid of a police officer and who do their duty as citizens of Canada. What happens to their families and their dependants if they are killed?

Reference was made to bank hold-ups and the use of guns. The minister has said that if a citizen saw a gun being used he could excuse himself by saying "I do not want to get mixed up in this affair, because I might get killed". But what about a parallel case in which a police officer comes running out to a citizen whom he knows well and says to him "Joe"—he might be speaking to the Minister of Agriculture—"the bank robber has gone that way; you have your car here with its motor running, take me along and let us pursue him". Let us suppose that in the course of that pursuit the citizen is killed. What happens then? I think this shatters the minister's argument because, as the Solicitor General said in his opening speech, different sets of circumstances face the citizen who might be called upon to aid a police officer. Let us not consider only one individual circumstance, if there is any possibility of the citizen coming to some harm as the result of having aided a police officer.

As has been said by the hon. member for Bow River and as has been mentioned on several occasions this afternoon, we are considering legislation which we hope will stand fast for many years. However, whether or not it stands fast, until a change is made it will be the legislation governing all citizens of Canada. Let us therefore not take a stop-gap measure but let us prepare for the future. I believe this is a common sense attitude.

Many reasons have been advanced for voting in favour of the bill, and for the preponderance of members to vote in favour of this legislation. Let us admit the fact that this is a compromise bill. The Prime Minister has said that it is better to have three quarters of a load than nothing. If it is a compromise bill, then we should examine it carefully at this stage to see whether or not additions should be made to it. There is a perfectly reasonable amendment before the house at the present time which is based on the fact that a different law will be applied to the murderer of a police officer or of a private citizen assisting a police officer.

There is another point which I should like to make. I believe that we are faced with the paradox of having a free vote on a bill introduced by the government. In view of this, I suggest the government should bend over backwards to consider any amendment or addition that might be made to the bill. The fact that the government accept amendments does not mean that their ideas are being defeated. Since this is to be a free vote on a government bill, amendments to it should not be turned down with no consideration being given to them. I believe that the hon. member for Bow River has proposed a very good amendment, which does not change the principle of the bill. This afternoon the Secretary of State tried to rule out previous amendments by saying she had voted for the bill in principle and therefore it should not be changed. However, I would point out that the Secretary of State voted in favour of the first amendment, which included children.

• (9:00 p.m.)

So, let us not just curtail this provision without giving it a good deal of consideration. What you are adding to this bill, if the Solicitor General would agree, is not all that extensive. It would only impress upon us the fact that a private citizen who has been commanded to come to the aid of a peace officer, puts himself in a slightly different position. Mention has been made this afternoon by the hon. member for Bow River and the hon. member for Winnipeg South Centre that there will be a deterioration of the willingness of a private citizen to assume the duty of coming to the aid of a peace officer. I think this is probably the most important point. You can utter all the words in the world in the House of Commons, make all the explanations you like, but the private citizen will only get one message, namely that he is not considered the equivalent of a peace officer. He will therefore try to avoid coming to the aid of a peace officer, for any excuse at all.

While we are making excuses, let us face the fact that a policeman does not write a letter to a man requesting help because he is going to make an arrest. This is something that happens on the spur of the moment, so there must be an instantaneous decision made. If the citizen has imbedded in his mind the fact that if he helps the peace officer he is in a different position from the peace officer, then perhaps his instant reaction will be to do nothing whatever to aid this peace officer in time of need.

Mr. Webb: Mr. Chairman, I do not know what the law is at the moment with respect to a citizen assisting a police officer. I believe a citizen is obligated to assist a police officer in his duty of enforcing the law. If a citizen does not carry out this function, he may be charged. Perhaps I could ask the Solicitor General if he can clear up these points. In my opinion the provisions of this bill, which are described as a deterrent, are at the

opposite ends of the poles when considered in conjunction with the directive given to the people of Canada to aid a peace officer. Surely, it is evident to anyone that this same experiment was conducted in Great Britain. It was an all-party decision, and it has been tried for a few years; but today there is a desire for the return of capital punishment. I ask the Solicitor General to consider these points.

Mr. Bigg: Mr. Chairman, with regard to the duty of the public to assist a policeman, I may say I do not believe there is any doubt about it whatever. Section 110 of the Criminal Code, subsection (b) reads:

> Everyone who omits, without reasonable excuse, to assist a public officer or peace officer in the execution of his duty in arresting a person or in preserving the peace, after having reasonable notice that he is required to do so, is guilty of an indictable offence and is liable to imprisonment for two years.

The Minister of Agriculture says that a reasonable excuse would be that he did not want to risk his person. In my opinion this is absolute nonsense. On many occasions during my work as a policeman, I not only asked the public to assist but I demanded this assistance, not only with their person but with their property. On more than one occasion I have commandeered automobiles to try to apprehend persons who had recently broken the law. Any member of the public who had an automobile in running order would be expected to use that automobile, or I would have arrested him then and there for having committed an indictable offence by refusing to co-operate. I would have put him under arrest and commandeered the automobile.

I am an abolitionist, and I am therefore anxious that this bill pass, either amended or not amended. However, I am going to support this amendment to this bill because I think it will clarify the law. This provision gives very narrowly limited protection to policemen. I believe any judge could very well say that if I had been commanded to aid a policeman, then to all intents and purposes I am a policeman. I want to vote for this amendment particularly because I, for one, hate to live in a country where the law is ambiguous. I want to know what my duty is both as a citizen and a policeman. My attitude as an abolitionist, I hasten to say, does not stem from a soft attitude toward criminals. I believe that the laws of Canada, fully respected and fully carried out by an efficient policeman, with an alert public that is willing to co-operate with that force, is the only real protection we have against crime, organized or otherwise.

Mr. Stanfield: I just want to say one word. I have been voting against the amendments, but I think this is a logical amendment within a logical situation. I propose to vote for the amendment, and if I may say so without offence, I hope we can come to a vote.

[*Translation*]

Mr. Mongrain: Mr. Chairman, I have tried not to overstep the mark in this debate and I have kept my interventions to a strict minimum, but on the amendment moved by the member for Bow River (Mr. Woolliams) and after all the remarks I have heard this afternoon and this evening, I can no longer refrain from setting certain things straight.

First, I support unreservedly the amendment of the member for Bow River, because I find it much more consistent or at least it completes the logic of this bill for which so many members of the house showed concern.

I do not have the text of the amendment, but if I understood correctly, it provides for taking into account, among the victims of murderers, those who go out of their way to help constables, police officers, to prevent the commission of crimes, whether on request or on their own initiative to maintain order. An argument was added saying that if they fail to do so when they are faced with a situation where they can prevent a crime, they might be liable to legal proceedings.

I have listened with particular attention to the remarks of the Minister of Agriculture (Mr. Greene) and I say they are symptomatic of all other interventions by members of the cabinet on this ill-conceived, ill-defended and ill-presented bill.

When I am told that it was a free vote, it might be true for the opposition parties, I believe it because the leader of the official opposition (Mr. Stanfield) had a different opinion from his colleagues at the time of the vote, but on the government side, I think the free vote should no longer be mentioned, because even if it is claimed that no pressure was exerted I should say—without naming names, because I want to be discreet, as is customary between gentlemen—that pressures have been exerted, otherwise the result would have been different from what it has been tonight.

When the Minister of Agriculture spoke of opposition—I think he was referring to all those who oppose the bill moved by the Solicitor General (Mr. Pennell) and that is

why I felt I was being attacked—I think he struck below the belt when he said that the opponents of the bill were using time-wasting tactics, that we simply wanted to delay the passage of the bill. I think that, if dilatory tactics have been used, members of the cabinet must accept full responsibility for them, because 18 months ago, we voted on this bill and the results of the vote were perfectly clear: more than 40 votes for the retention of capital punishment. Now, of his own admission, the Solicitor General proposes a bill which is based on camouflage and false representations. Besides, he said himself that if he had not agreed to such compromise—I call that electoral compromise, since he admitted that he wanted a majority vote in the house—he would not have put such a bill before us.

• (9:10 p.m.)

The principle involved is this: Are we for or against the death penalty? It is not a matter of pricing the value of human life just as meat in a butcher shop at so much a pound, but rather of knowing if we are for or against capital punishment.

Personally, Mr. Chairman, I am an abolitionist as a matter of principle. However, I shall be an abolitionist when somebody will have given me proof that the penitentiary system is what it should be in the circumstances, that it serves to protect society, that it provides true rehabilitation for criminals. But until then, I say that these are false representations and I tell those who charge us with obstruction that they are not sincere, because obstruction was forced upon the house by this bill. It is brought back 18 months later, after the house had decided rather categorically and after we had seen the cabinet commute the penalty of all those who had been sentenced to death.

Mr. Chairman, this afternoon I was paired with the right hon. leader of the government (Mr. Pearson). I considered it an honour and a gesture of courtesy a gentleman could not refuse. But if the government side continues to use arguments such as the ones we heard this afternoon and this evening, I shall have to go back on my word and endeavour to use all possible means to amend the bill because I feel that false representations are being made on the government side. I think that pressure was also exercised not only upon the members of the party in office but also upon members of the opposition by accusing them of things such as those we have heard.

[Mr. Mongrain.]

Mr. Chairman, they have tried to split hairs. Mind you, I am not a jurist or a lawyer and I have listened with great respect and consideration to the arguments put forward by all the learned lawyers who took part in the debate this afternoon and this evening.

However, I think the time has come for ordinary people like us, who have but our small judgment and conscience to bring to bear on such a matter, to speak our minds.

I think there are too many lawyers here who pass the time splitting hairs, though they do not appear very confident of being right. Now, I believe most of the blame should be laid at the doorstep of the government's legal minds, who are pleading a bad case. It shows plainly on their faces. It seems to us their case is wrong when they ask us, for instance: Why do you want to protect a citizen who has agreed or refused to help a police officer, since the law, after all, does not force him to help; he can refuse, providing he has any reasonable motive?

But will an ordinary citizen, an illiterate who has no education and has not studied law, ask himself such questions when faced by an emergency? Usually, wrong-doers do not warn us in advance, they strike suddenly. The man will simply listen to his conscience and he will spring up immediately or run away, according to whether or not he is brave.

Must we then split hairs to decide if we will pass a legislation to protect him? On the contrary, we must take into account all the weaknesses and deficiencies of human nature. I think this is our duty as legislators, and that is why I will support wholeheartedly the amendment of the hon. member for Bow River.

When people say that, according to section 434 or 464 of the Criminal Code, a citizen can or cannot make an arrest, they are splitting hairs. The question is simple: are they for or against capital punishment? That is all. All the subterfuges, all the camouflage and stratagems used to get us to pass a bill as bad as this one are, in my opinion, a misrepresentation whose consequences will be suffered by those members of the government who try so hard to defend it and do such a pitiful job.

I listened to the Minister of Agriculture (Mr. Greene) mention the old saying "an eye for an eye and a tooth for a tooth". As citizens, we all know that this saying is true. But that does not apply today in the advanced civilization in which we live.

I know that the Minister of Agriculture is intelligent enough to think, before I say it to him, that an eye for an eye, a tooth for a tooth, between two citizens, applies, of course, but that the state has been entrusted by citizens with the responsibility of the nation's business. It has a responsibility which, according to the Catholic doctrine in which I was brought up, comes from God, and it has the right to demand retribution and sanctions for citizens who do not comply with the general law, and especially those who disregard this most sacred right, the right to life. The saying "An eye for an eye and a tooth for a tooth" does not apply in the case of the state, far from it.

And the proof is that the state is not concerned, for instance in crimes of treason when those who have betrayed the nation are put against a wall and shot. Therefore, it is a false argument, a trick easily seen through.

The Minister of Agriculture said earlier that the last vote, the one taken here eighteen months ago, had not been a very clear vote, because it became clear in the following months that some hon. members would have agreed to a compromise if the bill had been drafted differently. I feel that is a gratuitous assumption, totally unfounded, because that vote taken eighteen months ago, and which to me seemed so clear, asked: Are you for or against maintaining the death penalty in the case of capital murder?

The question was very simple. The house could not be convinced at that time because precisely it was sure that a very great majority of Canadians wanted to maintain the death penalty.

Until parliament guarantees to all Canadians that we have a penitentiary system which can protect the citizens of Canada and help to find the means and the people to rehabilitate the murderers, and which can set up institutions adapted to the conditions of the times so that they do not have to wallow in cages for wild animals where they will eventually think of taking their own lives by hanging themselves, as happens too often every year, until we have a proper system of rehabilitation, in short, until we have all these things, Mr. Chairman, I think the majority of the members, had they not been morally molested and influenced would not have voted this afternoon to pass the motion for second reading.

• (9:20 p.m.)

This is why I say that the amendment moved by the hon. member for Bow River is at least an improvement on this bill which is badly presented and badly defended, and that we should support it, because it is the result of an implacable logic.

I heard this afternoon an hon. member who said that capital punishment should not be considered as a protection against future crimes. I think that he is entitled to his opinion, but it is completely unfounded. Mine is as good as his, because they are not supported by figures and I think that there is a natural law which states that if I think that my life will be endangered because I commit a crime, I will be less inclined to commit one than if I am told: "My friend, you may commit a crime and you will be paid a pension during your lifetime, you will be well housed, fed and made comfortable; you will be paid a rehabilitation course, so that after eight years, ten months and one day, you may go and earn honourably your living anywhere in the world."

Mr. Chairman, I think that if the government does not agree to add certain amendments as logical as the one moved by the hon. member for Bow River to such legislation which was so badly drafted, presented and defended, it will throw regrettable discredit on this government. Mr. Chairman, I do not usually use such stern language when I speak about the government. As a rule, I would rather support the government than fight it, because I have not been sent here as a member of the opposition who must try to take the place of those in power. I have been sent here to try to co-operate with them, whatever the party to which they belong, but under the circumstances I say and I repeat that if the government wishes to re-establish its good name with this legislation which is badly drafted and defended, it will have to accept a few proposed amendments in order to show its goodwill. It should, as is commonly said, meet us half-way when there is such evident contestation about the bill now under consideration.

[*English*]

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

And the yeas and nays on the amendment having been taken:

Mr. Webb: On a point of order, Mr. Chairman, at least six members on the government side of the house came in after the vote had

begun. There were at least six, and I wish to bring that to the attention of the house.

Some hon. Members: Oh, oh.

The Deputy Chairman: I thank the hon. member for his clairvoyance.

Some hon. Members: Oh, oh.

The Deputy Chairman: I have bifocal glasses and I saw no member coming in. Sometimes shadows may interfere with my vision. Perhaps it is time to bring to the attention of hon. members of the committee standing order 12(2) which reads:

When Mr. Speaker—

And this applies equally to any chairman of the committee:

—is putting a question, no member shall enter, walk out of or across the house, or make any noise or disturbance.

Some hon. Members: Hear, hear.

Amendment (Mr. Woolliams) negatived: yeas, 39; nays, 78.

The Deputy Chairman: I declare the amendment lost.

Clause 1 agreed to.

On clause 2—*Approval by governor in council of release after commutation of sentence.*

Mr. Brewin: I do not intend to delay the committee but I wish to ask the Solicitor General something. Clause 2 provides for the prior approval of the governor in council with respect to release or parole in all cases where the sentence of life imprisonment has been imposed as a minimum punishment. The law previously, as I understand, said that the cabinet or governor in council were to be asked to deal with only those cases where capital murder was involved. I think, from my reading of this clause, that the governor in council will be required to review the release or parole of all convicted murderers. That I think is a substantial extension of the responsibilities of the cabinet or governor in council.

• (9:30 p.m.)

I say to the Minister of Justice that, not having been a member of the cabinet, I am not fully aware of all cabinet responsibilities. Nevertheless I ask the Solicitor General whether, in his view, the cabinet is able to undertake, in addition to its multifarious other duties, the added burden that is implicit in this clause. We have been assured that the cabinet does not deal with these matters without giving them serious attention, and I am wondering whether the cabinet which, after all, is not a judicial body but the main executive of this country dealing with a large variety of subjects, is really in a position to undertake the review which is mentioned in this clause. Is this not another sop in an attempt to satisfy people that the cabinet will be doing something which, in my view, ought to be done by a judicial or at least by an administrative body?

Mr. Rynard: I am concerned about the same point as is the hon. member for Greenwood. What precautions are taken by the governor in council in these cases? I am further concerned about what happens after prisoners have served ten years and they come up for parole. How many psychiatric examinations will these people have received? I believe that in Kingston penitentiary there is one psychiatrist to serve around 900 prisoners—the Solicitor General can correct me if I am wrong. This is far too heavy a workload for one psychiatrist.

How will it be possible to base conclusions upon facts when there are not enough psychiatrists to go round? What provision is to be made for this situation in this bill? I could very well vote for this provision if I were sure that by the time a prisoner came up for parole sufficient psychiatric examination had been carried out to show, as far as humanly possible, that the man concerned would not go out again and commit murder.

Many in this chamber will remember the case of Red Ryan who was released after by I believe, one psychriatric examination. He went out and committed murder—it was felt that he committed at least three or four crimes—and was finally shot down in the city of Sarnia. It was only after this that the psychiatrist disclosed that the man had paranoid tendencies. This was clearly a case in which insufficient psychiatric examination was carried out. I suggest that prisoners coming up for parole should be removed to a mental institution for a period of three months where they would be subject to staff supervision and staff consultation, so that when the question of parole arose both they themselves and the public in general would be protected.

I had some conversations with the Solicitor General and I know he shares my views on many of these points. But I wonder how the bill will make provision in this direction. At present I must say that our penal institutions

do not have adequate staff and equipment to assess the condition of prisoners and make a useful report to the governor in council.

Mr. Fairweather: I have not taken part in this debate so far, but I have a crucial question to ask and I hope the minister can answer it at this stage. It is this: How many murders have been committed by persons out on parole after serving a sentence for murder? In other words, how many second murders have been committed, say, in the last 50 years?

Mr. Pennell: Perhaps I may deal with the last question first. To the best of my knowledge, since records have been available there have been two. One was committed while a convicted murderer was inside a penitentiary. It involved another inmate. There was another in which a convicted murderer committed a second murder while on parole. I would point out that under the present law a person could commit two non-capital murders and still not attract a death sentence. The verdict likely to follow a murder committed during a fight between two inmates is one of non-capital murder. Those are the facts to the best of my knowledge.

Mr. Pugh: The minister means that two have been caught.

Mr. Pennell: The answer I gave reflected the position to the best of my knowledge.

The hon. member for Simcoe East was kind enough to remind me that we have privately discussed the suggestion that people sentenced to life imprisonment for murder ought to be committed to an institution other than a penitentiary for a complete psychiatric check. I am agreeable to that suggestion and I hope the Parole Act will be before us very shortly. The amendments to the Criminal Code which the Minister of Justice will be introducing will be in the form of an omnibus bill, and they do open up the Parole Act for discussion. I hope the point will be dealt with at that time.

As to the point raised by the hon. member for Greenwood, I agree that the work load on the cabinet would be increased. However, before 1961 it is my understanding that all murder cases had to be dealt with by the cabinet. This was before the division of offences into capital and non-capital murder. They were all brought before cabinet when commutation of sentences was being considered. Since we are now reducing the number of crimes attracting the death penalty, the number of cases will be considerably reduced and it is felt that as we envisage a trial period of only five years the governor in council should continue to be involved in cases where parole is being granted to convicted murderers. I cast no reflection of course on the members of the parole board. Three cases have been brought to my attention since I have been Solicitor General. One was approved and the others deferred for further consideration. Consideration by cabinet is a further indication of the care which is taken before parole is granted to a convicted murderer.

Mr. Pugh: I have had a number of talks with the Solicitor General on this matter of life imprisonment. What does life imprisonment mean? I think this has been a bother to all hon. members. We are concerned to know exactly what the government has in mind when the bill talks about life imprisonment. The result of our vote means that in capital cases the sentence now is to be life imprisonment. We tried to bring in an amendment to provide for the retention of hanging in the case of sex offences against women and young children in the course of which murder is committed. Have any studies been made by competent medical authorities which would throw light on such crimes? What conclusions have been reached with regard to them by any authoritative body, either here or elsewhere in the world? What are the conclusions?

• (9:40 p.m.)

Perhaps I should now ask the Solicitor General whether these are the conclusions: In cases of sex offenders, regardless of the psychiatric treatment they have had during their incarceration, there is the possibility of the same thing happening again, even murder. Also there is the fact that any body of psychiatrists meeting together can come to only one conclusion; that is, that they cannot guarantee to society what the actions will be of such men if they are released again into society.

Mr. Pennell: Mr. Chairman, every care is taken, of course, by the parole board when preparing a case for presentation regarding parole. We do not claim infallibility either on the part of the parole board or the governor in council. I think, however, that the excellent record which has been maintained by the board in respect of screening these people and recommending their parole reflects, I think beyond any word of mine, that the greatest care is taken.

I understand that if there is any indication to the penitentiary psychiatrist that there may be a disorder of the mind, the subject is referred to three independent psychiatrists who make an assessment of the individual. We look at the recent record, the circumstances surrounding the offence, the age at the time of the offence, the relationship of the individual with the inmates and the staff, and his general progress over a period. Then, using all our resources, we come to a conclusion. As I said a moment ago we are not infallible. We screen them very carefully and no decision is taken with a greater sense of responsibility and care.

Mr. Pugh: Mr. Chairman, I should like to ask the Solicitor General whether he has at hand a record of any study made here or elsewhere in the world in respect of this. I am restricting my remarks not only to the parole board but also to the matter of sex offenders. Like the minister, I believe the parole board, and any other agency which has a connection with the matter of parole, have carried on in a model fashion. They are not swayed by emotion but rather by the facts and the presentations placed before them.

I am interested in learning what life imprisonment means in respect of sex offenders. I should like to know what records are available to the government in respect of the studies made by psychiatrists on this subject.

Mr. Pennell: Mr. Chairman, the parole board of course has consulted with other jurisdictions in an effort to find out how they deal with people who are under the sentence of life imprisonment. However, they must base their own decisions on their own experience, and upon the advice of the experts who are available to them. I should like to point out to the hon. member that those who are the gravest danger to society are often those prisoners who serve a definite sentence for a period of years. These people cannot be kept in the institutions, even though we may feel they present a real danger. They have served their sentence and then go out. We give them the best possible treatment we have available, but after they have served their sentence there is no way the parole board or the penitentiary service can keep them in prison. These are the people who may constitute the greatest danger to society. We hope that the amendment to the Parole Act may bring about some relief on this point. Of course, the house will have to wait until the omnibus bill is brought in.

The man serving a sentence of life imprisonment is there for life, subject to being released on parole, but even if released on parole he is still under sentence and the parole can be revoked and he can be brought back.

Mr. McIntosh: Mr. Chairman, I have a question for the minister which is also on the subject of life sentence. I wonder whether he has any statistics which show how many convicted murderers have died in prison, except through the normal process of hanging, which has been mandatory for capital murder.

Mr. Pennell: I am advised by the officials that since 1921 there have been 117 convicted murderers paroled. Eleven of these have had their parole revoked. Twelve have died whilst on parole. Six were deported and there are 88 still on parole. There is one further question which I believe I have not answered. I am unable to help the hon. member concerning the number who died while serving their sentence of life imprisonment in prison.

Mr. McIntosh: I have a supplementary question. Would the minister not agree that the term "life imprisonment" should be changed to what it actually means, because it is a fallacy to call it life imprisonment.

Mr. Pennell: There is no member of this house for whom I have greater respect than the hon. member for Swift Current-Maple Creek. I am sure he knows that; but I cannot agree with him on this point. My own personal feeling on this is that I believe we can rehabilitate some of these men who have been sentenced to life imprisonment. I think the record has proven this. It is not only the belief of this administration. This belief is shared by others. It has been proven that there are life prisoners who have been rehabilitated after serving time and who have come back to be useful citizens.

Mr. Pascoe: I believe the minister said that 11 persons who were on parole had had their parole cancelled. Could he give the reason for the parole being cancelled?

Mr. Pennell: Mr. Chairman, the information passed to me now shows that there was one whose parole was revoked because of excessive use of alcohol and because he was breaching the conditions of his parole. Another case involved repeated use of

alcohol and leaving the area without permission. In this case parole was revoked. Another one was judged to be very unstable; he was suspected of having mental illness. He breached his parole conditions, and therefore in order to protect his wife and society his parole was revoked. One was convicted of robbery and sentenced to two and a half years. Naturally his parole was revoked. Another case was a breach of parole. In this instance he had threatened his common law wife and was considered to be unstable. Another was a case of breach of parole conditions and assault of a police officer. There was an automatic forfeiture. Another became hostile toward his wife and children and his parole was revoked. Another one involved a breach of parole. The individual left without permission and was involved in five charges of drunk and disorderly conduct. That is the information I have available at this moment.

• (9:50 p.m.)

Mr. Webb: I should like to ask the minister whether he can advise the house as to the number of murderers whose sentences have been commuted broke out of prison and committed further murders or offences, as outlined by the hon. member for Simcoe East?

Mr. Pennell: I am advised by my officials that they are not aware of any convicted murderers who escaped from an institution and committed a further murder.

[*Translation*]

Mr. Mongrain: Mr. Chairman, section 2 of the bill reads as follows:

> Notwithstanding any other law or authority, a person in respect of whom a sentence of death has been commuted to imprisonment for life or a term of imprisonment or a person upon whom a sentence of imprisonment for life has been imposed as a minimum punishment, shall not be released during his life or such term, as the case may be, without the prior approval of the Governor in Council.

I wonder, therefore, why the governor in council, that is, the cabinet, the government, regardless of the party in power—at present we have a Liberal government—insists upon retaining the right to approve the release or the commutation of a death sentence to life imprisonment. I wonder why this whole matter should not be put in the hands of the National Parole Board, because in some cases —I am speaking in all objectivity, and I would not want the minister to be offended by my remarks, because they would apply to his government or to any subsequent ones—a very rich man sentenced to life imprisonment could hire very competent, popular and influential lawyers to plead his case? I also see cases which might constitute what is generally called political crimes when governments might be concerned over electoral consequences, over the penalties they might mete out to those responsible for political crimes. There might be some even now and the rumor is rampant. Mr. Chairman, I am not inventing anything. It is currently being repeated at least in my province—I do not know whether it is being said in the rest of the country—that if the government is so insistent in having this bill carry, it is because they do not dare allow the death sentences against the two separatists who have been guilty of murder, lest a scandal result along the lines of the Louis Riel affair in the political history of the province of Quebec. So I wonder if the cabinet—which is very busy today and getting more so every year with all kinds of complex problems while ministers are required to work 12 to 15 hours a day and sometimes more—has really the time to consider questions in depth and if it is not likely on occasion to be influenced by situations such as I have mentioned and to slant an objective decision.

Mr. Chairman, I put the question most objectively to the minister.

[*English*]

Does the minister not think it more appropriate to leave this decision to the parole board? I expect that in some cases the governor in council might have the last word, but in respect of these cases it is my opinion that the decision should be left in the hands of the parole board. I have not the time to outline these cases, but I do not think there should be any possibility of cabinet influence, or influence from outside having regard to money, politics or other angles. I should like to know the reaction of the minister in this regard.

Mr. Pennell: Mr. Chairman, I believe I can set the hon. member's mind at ease regarding the possibility of political influence. The national parole board still must recommend the parole of an inmate before the case comes to the governor in council. If the national parole board does not make a favourable recommendation, the case is not dealt with by the governor in council. The safeguard suggested by the hon. member now exists under the legislation.

Mr. Mongrain: Why is this not set out in the law?

Mr. Pennell: This is set out in the Parole Act.

Having regard to the two separatists mentioned by the hon. member, it is my understanding that the Quebec court of appeal quashed the conviction and ordered a new trial. At the present moment they are not under sentence of death. The attorney general's department of that province has appealed the cases to the Supreme Court of Canada.

Mr. Cowan: During the discussion of clause 2 I should like to ask the Solicitor General several questions. I hope he will answer my first question before I pose the remainder. When I proved by the record the Solicitor General produced to this house that the cabinet was granting parole under the present administration after individuals had served a life sentence of eight years, ten months and one day, a member of this house jumped to his feet in an attempt to get Steven Truscott, a convicted murderer of a defenceless girl, out on parole. He was advised by the Solicitor General that it is now necessary that convicted murderers serve at least ten years. I should like to know what section of what law makes it mandatory that ten years be served. Is this a law or a regulation, and when was it adopted?

Mr. Pennell: Mr. Chairman, in reply to the hon. member for York-Humber I would suggest that I made it clear in answering the hon. member for Winnipeg North Centre that this was a new regulation under the Parole Act. It is my understanding that this regulation was brought into force in 1964, and it applies to all persons convicted of capital murder whose sentences have been commuted.

Mr. Cowan: If I understand the Solicitor General correctly, this is required by a regulation under the Parole Act, which I presume was drafted by officials of the parole board.

Mr. Pennell: I am informed that the regulation was drafted by officials of the Department of Justice.

Mr. Cowan: Does that mean that officials of the Department of Justice thought the cabinet was being altogether too lenient in paroling these individuals after they had served eight years, ten months and one day, and felt the ten year sentence should be mandatory?

[Mr. Pennell.]

The Assistant Deputy Chairman: Shall clause two carry?

Some hon. Members: Carried.

Mr. Cowan: I have other questions to ask. May I call it ten o'clock.

Mr. Pennell: Mr. Chairman, I am advised—

The Assistant Deputy Chairman: It being ten o'clock, shall I rise and report progress?

Some hon. Members: No.

The Assistant Deputy Chairman: Shall clause 2 carry?

Mr. Cowan: I have other questions to ask, sir.

Mr. Pennell: I was attempting to answer the hon. member for York-Humber. I was not a member of the ministry at the time this particular regulation was put into effect, but I am advised by one of my colleagues that it was adopted at the request of the governor in council in 1964.

The Assistant Deputy Chairman: Shall clause 2 carry?

Mr. Cowan: May I call it ten o'clock?

The Assistant Deputy Chairman: Order. It being ten o'clock, shall I rise, report progress and request leave to sit again at the next sitting of the house?

Progress reported.

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I wonder whether this is the proper time for me to ask the government house leader if he can tell us the business of the house for tomorrow, and Monday and Tuesday of next week, if possible.

Mr. Monteith: And Wednesday and Thursday.

Mr. MacEachen: Mr. Speaker, I would ask my hon. friends not to test their luck too far. Tomorrow we will begin with item No. 33 on today's order paper, the resolution to amend the Post Office Act, followed by third reading of the Industrial Development Bank Act, committee study of the C.N.R. bill, the Emergency Gold Mining Assistance Act and the department of corporate and consumer affairs legislation. This will be the program

for tomorrow and probably Monday. We will announce further business next week.

Mr. Starr: Mr. Speaker, may I suggest to the government house leader that instead of taking the first item that he listed, having to do with the post office, it would be more expeditious to consider the second and third items first, and then move into the post office resolution?

Mr. MacEachen: Yes, Mr. Speaker, this is agreeable to us. I gather that hon. members feel they can deal with these items relatively quickly. We will agree to that, and will then continue with the post office resolution.

Mr. Knowles: Mr. Speaker, can the house leader say when we will return to committee of the whole stage on the capital punishment bill?

Mr. MacEachen: I am not certain when we will return to the committee stage of the capital punishment bill,—perhaps Monday or Tuesday.

PROCEEDINGS ON ADJOURNMENT MOTION

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

POLLUTION—FEDERAL REPRESENTATION AT PROVINCIAL CONFERENCE IN TORONTO

Mr. H. E. Gray (Essex West): Mr. Speaker, on November 16 I asked this question of the Minister of National Health and Welfare (Mr. MacEachen):

> Have federal officials been invited to attend the provincial conference on pollution which will be convened by the government of Ontario between December 3 and December 5 in Toronto?

The minister replied:

> Mr. Speaker, there is to be a meeting held in Toronto as a sequel to an earlier meeting in Montreal of the conference of resource ministers.

He concluded:

> Federal officials have not been invited to attend.

On the following day, November 17, I therefore asked the Minister of National Health and Welfare this question:

> Yesterday, in answer to a question of mine, he informed the house that federal officials had not been invited by the Ontario provincial government to attend the conference on pollution which is to be held between December 3 and December 5 in Toronto. In view of the urgent need to continue active co-operation between these two levels of government, would he advise the province of Ontario of the availability of his officials to work with the provincial officials on this matter?

According to a report which appeared in the Windsor *Star* on November 9, the province of Ontario is convening a conference on the date I have mentioned covering air, water and soil pollution. It is being organized by its provincial advisory committee on pollution control which is made up of deputy ministers of various Ontario provincial departments which deal with individual aspects of pollution.

The jurisdiction over pollution problems is divided between the federal and provincial levels. As I have said, to tackle these pollution problems successfully there must be co-operative action between these two levels of government.

When I asked these questions it seemed to me, and it seems to me now, that the Ontario government should have recognized immediately that for the conference to be truly effective the participation of experts from the federal government would be necessary. After all, there are matters linked with these problems of pollution which cannot possibly be discussed much less dealt with effectively without the participation and the co-operation of officials of the Department of National Health and Welfare and of our Department of Energy, Mines and Resources. For example there are problems of trans-boundary air pollution which is of great concern to my own community in Windsor. There are matters involving the development of national standards for testing the degree of pollution in the air and in the water. In fact at present, as the Minister of National Health and Welfare pointed out in the house only a few days ago, for the first time we are developing and carrying out a national program of air sampling.

There are questions as to whether further tax incentives under federal, and under provincial statutes as well, would encourage industry to accelerate its work to eliminate air and water pollution caused by its activities. There are also questions as to whether the time has now come for the federal criminal law to be amended to provide new sanctions against pollution of air and water by industry and by individuals as well. The Minister of National Health and Welfare pointed out in the house recently that there is in his department an environmental health centre devoted to working on solutions to air pollution problems—in fact to identifying

problems not just with regard to air pollution but to water and soil pollution as well, and to working out methods for their control. This centre is considered to be the best in the entire country if not one of the best in the world.

The federal government, in spite of the divided jurisdiction which exists with respect to problems of pollution, has a responsibility to show leadership in working out and implementing solutions to these problems. I think it was a serious oversight, to say the least, for the province of Ontario to fail to invite federal experts immediately on putting together the agenda and program for this conference on pollution. I say that the federal government should be in a position to make known to the provincial governments the availability of its experts, to work together with officials at similar levels in the province of Ontario and throughout Canada to reach, as quickly as possible, solutions to problems of the pollution of air, water and soil, solutions which are necessary if the quality of life in Canada as it moves into this second century is to be worthy of the future of this nation and its people.

• (10:10 p.m.)

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, when the hon. member asked this question of the Minister of National Health and Welfare, there had not been an invitation extended to any federal officials to attend the conference. However, I am pleased to tell the hon. member that since that time an invitation has been received by federal government representatives to attend the conference on pollution being held in Toronto, beginning on December 3.

The following federal representatives have been invited: from the Department of Agriculture, Mr. S. B. Williams, deputy minister; Dr. Robert Glen, assistant deputy minister, research and Dr. C. R. Harris, London, Ontario; from the Department of National Health and Welfare, Dr. Ross Chapman, director general, food and drugs; Dr. J. Sulliven, occupational health; from the Department of Energy, Mines and Resources, Mr. A. T. Davidson, assistant deputy minister, water. Dr. Robert Glen, assistant deputy minister, research, of the Department of Agriculture and Dr. C. R. Harris, London, will be active participants at this conference.

PUBLIC WORKS—OTTAWA—HEIGHT OF PROPOSED NATIONAL DEFENCE HEADQUARTERS BUILDING

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Thursday, November 2, as recorded in *Hansard* at page 3783, I asked this question:

> Mr. Speaker, may I direct a question to the Minister of Public Works. Now that the commencement of construction of the national defence tower in Lebreton flats has been postponed, will the government reconsider the question of the height of this proposed building in the hope that it will not be as high as the peace tower?

At that time Mr. Speaker thought this was a question for the order paper, and that is why I posted it for this adjournment debate. It is not necessary for me to use my full seven minutes on this question, and I am also interested in the one that is to follow.

Mr. Bell (Carleton): As I am in the one that is going on now.

Mr. Knowles: May I just remind the minister that in June, 1966, we were given indications with respect to the proposed national defence tower, according to the plans at that time, that the very top of the proposed tower in Lebreton flats would be about 67 feet higher than the top of the peace tower on this building. I need not repeat the comments that I made in June, 1966, and on one or two other occasions as well. I do not like the symbolism of a national defence tower being higher than the peace tower. I do not like what it does to Ottawa to have so many buildings in this area taller than this building, which ought to be the most important building in this country. It seems to me, in fact, that mistakes have been made already in permitting some buildings in this area to rise as high as they are. I am referring not just to government buildings, in fact not so much to government buildings as I am to private ones, such as hotels and office buildings in this area. I think this is a mistake. I think it is unfair to future generations to mar the beauty of this city, which belongs to all of Canada.

Now, if I am in a less argumentative mood than I sometimes am, it is because I hope the Minister of Public Works (Mr. McIlraith) agrees with me and that he will now assure me that reconsideration will be given to the question of the height of the proposed national defence tower in Lebreton flats.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, all members who think much of the development of the national

capital agree on the importance of the subject of height control of buildings in the central part of the city. The city of Ottawa has a by-law governing height control and the federal authority tries to work within it.

The whole subject of height control is of such concern that I expect it will be dealt with by the committee that will be examining into the operations of the national capital commission. Rather than try to develop in an extended way—it is impossible to do so in three minutes—what the situation is, I hope that the subject will be dealt with by the committee, which will have plenty of time to do so before the building is proceeded with. The subject can best be examined by this body representing the House of Commons.

I should add that the question of height of buildings is also related to distance from the Peace Tower. The concept of height cannot be in absolute terms across the whole city. Heights of buildings in close proximity to the Peace Tower are lower than would be tolerated for buildings farther away from the Peace Tower. The particular building under discussion will be some 4,450 feet from the Peace Tower, which is close to a mile, and it will be erected on low ground. It is true that the plans call for the building to be higher than the Peace Tower by some 38 feet, but as I say, I am quite agreeable to having the whole subject examined by the committee when it is set up, which I hope will be very soon. In the meantime, Mr. Speaker, nothing will happen to affect the position in any way.

PUBLIC SERVICE—COMMITTEE REPORT ON PENSIONS OF RETIRED CIVIL SERVANTS

Hon. R. A. Bell (Carleton): Mr. Speaker, never have I been more sorely tempted to breach the rules of the house and discuss the subject which has just been concluded, but I must refrain from so doing and deal with the question of increased pensions for retired public servants, including the R.C.M.P. and the armed forces. This was the subject of my question on Monday last to the Prime Minister and is the subject upon which my complaint is focused tonight.

Tonight the Prime Minister is in London becoming a freeman of that great city. I am sure all of us extend to him our congratulations, coupled with the wish that he will understand the position of some of those who are, as he is, a retired civil servant but are less fortunate in respect of the honours and emoluments that are his.

In his absence, Mr. Speaker, under normal circumstances the President of the Treasury Board would reply. I want to thank that genial gentleman for having indicated to me at 9 p.m. this evening that he was about to leave for Vancouver and could not be in the chamber to reply to my representations.

As you are aware, sir, on May 8 of this year, which was the last day of the first session of this parliament, a special joint committee of the Senate and House of Commons reported unanimously in favour of an increase in the pensions of retired civil servants. In their report the committee said:

• (10:20 p.m.)

> In the committee's view, the government should do what it reasonably can to protect and preserve, or failing that, to restore in some measure the original purchasing power of the contributory pensions which, under the Public Service Superannuation Act, and similar enactments, it has provided for its retired employees.
>
> With this consideration in mind, your committee recommends immediate action by the government, to up-date and extend the provisions of the Public Service Pension Adjustment Act (1959).

Then it went on:

> The committee recommends that any plan to improve the position of these retired employees should conform to the following requirements:
>
> (a) it should be capable of quick and early implementation in the form of legislation in the next session of this parliament;
>
> (b) any adjustment in pensions should not be limited to a particular date of retirement and should be in addition to any other increase already granted under the Pension Adjustment Act of 1959;
>
> (c) it should maintain the principle contained in the present legislation that benefits should be related to length of service;
>
> (d) it should conform to the principle that any adjustment formula should take account also of the time which has elapsed since retirement;
>
> (e) it should take into account the increase in living costs during that period of time; and
>
> (f) it should increase the ceiling in the 1959 Pension Adjustment Act.

Sir, as you well know, the expectation of members of the special joint committee was that early action would be taken in accordance with the unanimous recommendation. A decision one way or the other ought to have been anticipated. What has been the subsequent history of this unanimous recommendation. Sir, to all the questions that have been asked about this matter the answers have always been in the same context —"under consideration", "decision in due course", "still under advisement". That, sir, is a contempt of parliament and a denial of the role of committees and the rights of the private members in this parliament. The time has come when the government ought to stop this contempt of parliament.

Mr. Knowles: Hear, hear.

Proceedings on Adjournment Motion

Mr. Bell (Carleton): Speaking for myself, I have tried every technique known either to an advocate or to a parliamentarian. I have tried coaxing, cajoling, persuading, becoming indignant and angry—as I did the last time this matter was discussed—but all moods have been without avail. I put it to the parliamentary secretary, could he not convey the message to cabinet that the time has come for a decision? There is no more time for stalling or contempt. While the decision is pending some people are suffering.

Mr. Knowles: Dying.

Mr. Bell (Carleton): As the hon. gentleman says, some persons are dying. Many, many retired public servants who would have been entitled to benefit from the recommendation have died since May 8, without receiving the benefits that the unanimous committee recommendation said they ought to receive. I know that the hon. gentleman for York Centre (Mr. Walker) concurred in the unanimous recommendation of the committee. Retired public servants have died, and others have suffered. I ask the hon. gentleman, and tonight I am being as reasonable as I possibly can be, can he not, from his vantage point on the government side, bring some influence to bear on the ministers? Can he not influence the Minister of Public Works (Mr. McIlraith) and ask him to go to the cabinet tomorrow morning and say, "We will do something; we will decide this matter one way or the other"? That is all I ask, and it is a simple request. I hope that the request will not be denied by the hon. gentleman who represents Ottawa West and who has more influence, Mr. Speaker, than you or I have on any particular topic within the jurisdiction of cabinet. I am sure that if my hon. friend from York Centre goes to his colleague for Ottawa West (Mr. McIlraith) and puts the request in the mild terms I am trying to put it in this evening, we shall have some decision soon.

Sir, this is a desperately serious matter for many persons in this country. Let the government stop stalling and decide something.

Mr. Knowles: Hear, hear.

Mr. J. E. Walker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am very impressed by the hon. member's presentation. Frankly I find it easier to answer him when he is in his normal wild and rambunctious mood than when he is in the suppliant mood he has displayed tonight.

I do not criticize the hon. member for Carleton or the hon. member for Winnipeg North Centre. I do not criticize them for their deep concern and for their eagerness to have the government decide on this most important matter. I do ask them to give government members who served on that committee, my minister and the government some credit for concern. I ask them to give my minister, I ask them to give the government, some credit for concern and eagerness to do something to make a decision and to make that decision as quickly as possible on this whole question of the superannuation fund. I should like to point this out, in case the public feel that parliament and the government are not aware of this problem.

On Monday, November 20, just two days ago, this question was raised in the house by the hon. member for Carleton. The Prime Minister at that time said the matter was still under consideration. I draw attention to this because I do not want the inference to be drawn from the continuous representations which are being made in the house that the government has decided to do nothing, to shelve the project and delay rather than say yes or no.

On November 9 the hon. member for Winnipeg North Centre (Mr. Knowles) asked this same question, as reported at page 4118 of *Hansard,* and the minister gave an honest, truthful reply at that time, pointing out that this question was on the cabinet agenda and that the minister himself was looking forward to having it dealt with as quickly as possible. I go back to September 26, when again the hon. member for Winnipeg North Centre brought this matter to the attention of parliament as reported at page 2534. I have been trying to look up two other references—occasions upon which this question has been raised and when I personally have replied on behalf of the minister.

I can say nothing further than has already been said by the Prime Minister and by the minister on this question, but I will undertake to clip out from tomorrow's *Hansard* the most eloquent remarks of the hon. member for Carleton (Mr. Bell) and bring them to the personal attention of my minister.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, November 24, 1967

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Fifth and sixth reports of standing committee on transport and communications—Mr. Macaluso.

[*Translation*]

SIXTH REPORT OF STANDING COMMITTEE ON FINANCE, TRADE AND ECONOMIC AFFAIRS

Mr. H. E. Gray (Essex West): Mr. Speaker, I have the honour to present the sixth report of the standing committee on finance, trade and economic affairs, in which we are referring to the house Bill No. S-20, respecting the Co-operative Trust Company Limited. As usual, this report has been prepared in English and French.

[*Editor's note: Text of the foregoing reports appear in today's Votes and Proceedings.*]

SHIPPING

LABOUR DISPUTE AT MONTREAL—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 26, in order to discuss a definite matter of urgent public importance, namely the stoppage of activities in the port of Montreal, the consequences of which threatens to seriously affect our exports and to interfere with our economy, particularly in view of the dangerous situation brought about by the statement made yesterday by the Minister of Labour (Mr. Nicholson), when he said that the government declines all responsibility concerning this very important matter.

Mr. Speaker, I have here a copy of the motion in French and in English.

Mr. Speaker: Would the hon. member for Saint-Hyacinthe-Bagot please comment on the urgency of the debate?

Mr. Ricard: Yes, Mr. Speaker. I placed this matter before the house today because we will not have the opportunity to discuss it in the near future. I do not intend to dwell on the urgency of debate at any length, but I know it will not be difficult to win the consent of Your Honour to allow the matter to be discussed immediately.

Mr. Speaker, there are numerous reasons to justify a debate on the matter today. Right now, there are huge quantities of fruits and vegetables on the docks of Montreal harbour which are awaiting shipment to England, and unless immediate steps are taken, they will be a total loss. Their value is roughly the same, namely, $500,000, so that $1 million worth of fruits are now stocked in warehouses outside Montreal, there are also large quantities of fruits now in freight cars, and these are in serious danger of being utterly spoiled, apart from creating problems for the railways.

As I said a few moments ago, huge losses will surely result if this situation is allowed to continue even for a short while. Moreover, it should be considered that 3,000 workers, at least, are thus left without work for an indefinite period, and these people increase the already large number of unemployed in the Montreal area.

• (11:10 a.m.)

It's also to be expected, Mr. Speaker, that the other ports on the St. Lawrence will, sooner or later, be affected by this situation, unless the present government and the Minister of Labour in particular decide to accept their responsibilities and take the necessary steps to remedy the situation.

In the long run, considerable damage may result. The reputation of Montreal harbour is sure to suffer abroad because of those delays. There are ships now being rerouted away from Montreal, because the shipping companies feel that they would stand to lose money and they cannot afford any further losses.

For those reasons, Mr. Speaker, and for many others, I think that we should immediately adjourn the business of the house to deal with this matter.

The government and the Minister of Labour (Mr. Nicholson) certainly cannot plead that they were not aware of the facts because, for two weeks already, useless and futile discussions have been going on

between the two parties without any intervention whatsoever by the minister or the Acting Prime Minister. It seems, Mr. Speaker, that the hon. members opposite should assume their responsibilities and settle his matter once and for all.

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I rise on a question of privilege. The hon. member has just made two statements that are not in accordance with the facts. He said the minister has not taken his responsibility and that the government has not shown any interest in this matter. Both these statements are erroneous. The government does take its responsibility seriously, and, in fact I have met with one of the parties. My officials have met with the other side, and I have offered to meet them. I welcomed the opportunity to do so. So when the statement is made that the government is not taking its responsibility seriously it is completely erroneous, and the record should be put straight.

Mr. Ricard: I rise on the question of privilege, Mr. Speaker. I fail to see that there is any question of privilege in what the Minister of Labour just said.

Mr. Speaker: Order, please. I agree with the hon. member for Saint-Hyacinthe-Bagot.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have just a few words to say. Your Honour must be so familiar with all the citations regarding standing order 26 that you can rattle them off by heart. The members of the house must know them all by now as well, so I will not repeat them today. Surely, Mr. Speaker, there are times when it is obvious that the question which has been raised under standing order 26 is one that the house ought to discuss. I put it to you very simply. In view of the seriousness of this matter in the Montreal area, and in view of its repercussions across the country, is this not the kind of situation that standing order 26—

Mr. Nicholson: I rise on a point of order, Mr. Speaker. It it is of any help, may I make it clear that so far as the government are concerned we welcome the opportunity to have a debate on this matter.

Mr. Speaker: Order. The minister may have an opportunity of indicating this fact after I have heard the representations of the hon. member for Winnipeg North Centre.

[Mr. Ricard.]

Mr. Knowles: I had just about completed my remarks, Mr. Speaker. The only other thing I was going to say is that since the Minister of Labour has already entered the debate it might as well be continued. I do believe that this is the kind of matter for which standing order 26 was designed.

Mr. Speaker: Perhaps we may abbreviate the debate.

[*Translation*]

The hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) was kind enough to give me notice of this motion so that I was able to consider it and to look into the circumstances mentioned. The only difficulty I encountered, and which still remains, is that, according to the information I obtained this morning before coming to the house, this litigation is now in a way and up to a certain point before the courts, because of an application for an injunction made this morning. This has created some difficulty.

I understand perfectly that there must be a distinction between an injunction and the procedure usually followed under the Industrail Relations and Disputes Investigation Act. However, in view of the particular circumstances which the hon. member for Saint-Hyacinthe-Bagot brought to the attention of the house, I believe I must answer the question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) in the affirmative and accept the motion.

Mr. Ricard: Mr. Speaker, I do not intend to add further remarks to those I have made already. I should like to thank—

Mr. Speaker: The hon. member will now have to introduce his motion.

[*English*]

We will attempt to be of assistance to the hon. member in a moment. The hon. member for Saint-Hyacinthe-Bagot, seconded by the hon. member for Ontario moves that the house do now adjourn.

Hon. Michael Starr (Ontario): All these crises, Mr. Speaker, have occurred as a result of the ineptness of this government in the performance of their duties. These are always laughing matters on that side of the house. Well, I say to them that they have to take their responsibilities more seriously than they have up to now.

Mr. Speaker: Order. This is a very serious matter.

Mr. Starr: Of course it is.

Mr. Speaker: I think perhaps we should try to limit the debate to the substance of the matter brought to the attention of the house by the hon. member for Saint-Hyacinthe-Bagot.

Mr. Starr: I agree with you entirely, Mr. Speaker. This is a very serious matter. I was only referring to the attitude of the government with regard to it.

• (11:20 a.m.)

Hon. Paul Martin (Secretary of State for External Affairs): I rise to a point of order, Mr. Speaker. I do not know why my hon. friend should begin what I hope will be a constructive submission in this tone. The government are not opposed to this motion; we welcome it. We recognize that this is an important matter. That is the reason the Minister of Labour intervened. I would ask my hon. friend, for whom we all have the greatest regard, in view of the fact that his leader is now with him and that his leader wants to set a new tone in debate in this house, to—

Some hon. Members: Oh, oh.

Mr. Ricard: Remember what happened in 1960.

[*Translation*]

Mr. Speaker: Order, please. May I now ask the co-operation of all hon. members so that, from now on, they try to deal only with the motion introduced by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard), that is the important matter of public urgency, the stoppage of activities in Montreal harbour.

[*English*]

Mr. Starr: Mr. Speaker, this is a very serious matter. Recognizing its seriousness, we on this side feel it should be discussed in the house at this time. We feel very strongly that the situation which now prevails on the Montreal docks has been brought about by the ineptness of this government in dealing with the matter.

I want to refer back to July of last year, specifically to July 14, 1966, when the government introduced Bill No. C-215, an act respecting certain conditions of employment of dock workers at the ports of Montreal, Trois-Rivières and Quebec. This bill was discussed on that day and we pointed out to the government the error it was making in taking that step. We objected in particular to the preamble to the bill, part of which read as follows:

> And whereas an industrial inquiry commission to inquire into those certain matters has been appointed under the said act, and it is in the national interest that the conclusions of the said commission with respect thereto be carried into effect without delay following receipt of the report of the said commission—

I pointed out during the debate on the bill, Mr. Speaker, that this was contrary to the collective bargaining arguments that the government has always hidden behind. As recorded at page 7674 of *Hansard* for July 14, 1966 I said:

> A commissioner can be appointed. No one will object to that. The commissioner can go to work and eventually, upon hearing both sides and investigating the situation completely, he can make a report to the Minister of Labour who in turn should refer that report to the interested parties as a basis for collective bargaining.

The government ignored this suggestion, even though the hon. member for York South (Mr. Lewis), the next speaker for the New Democratic party, agreed that this was the proper procedure to take.

Now, Mr. Speaker, what has happened? A report has been made by the commissioner of inquiry, Mr. Picard. This report was made to the Minister of Labour. Did the Minister of Labour feel there should be ample opportunity for the interested parties in the dispute to sit down with him or to consult amongst themselves before the report was implemented, to see whether they would interpret the report in the same way and agree on what should be done? No; the minister arbitrarily imposed the report on both parties without reference to them at all.

We now have a situation where the parties interpret the report differently. One party reads it one way and the other party reads it another way. Consequently there is a tie-up in the port of Montreal, where some 40 ships are standing idle waiting to be unloaded. Fruits, vegetables and other commodities of this country are being allowed to rot while the government sits quietly by contending that someone else should see that this national crisis is resolved.

I know the Acting Prime Minister (Mr. Martin) has a tremendous responsibility and is trying to show his concern for the country. Surely in his wisdom he could prevail on the Minister of Labour and ask him to forgo his obstinate, arrogant attitude that the government is not responsible and that it is up to

someone else to decide what is to be done. The government in this crisis surely has a responsibility to rectify the situation at once.

We said the legislation was based on an assumption; how were we to know what the report would be? How could we agree to that report being imposed as part of the collective bargaining agreement? We voted against this bill because of that. On page 7674 of *Hansard* for July 14, 1966 I am reported to have said:

> This legislation is based on assumption. The government is assuming that the recommendations will be acceptable to both parties.

The recommendations are not acceptable to both parties, and we were right. Continuing:

> What will be the situation if the recommendations are not acceptable?

We have that situation now. There is chaos on the Montreal docks, and that chaos will probably spread across the country to other docks. The union members will not sit idly by and see this type of recommendation imposed on their fellow members. Sympathetic gestures by other union members will be made, as the Minister of Manpower and Immigration well knows. Continuing to quote, I am reported to have said:

> Will that tend to a happy and harmonious situation between these two parties for the duration of the present agreement?

There is no happy and harmonious situation which at that time the government thought there would be. Continuing:

> This is almost prophetic legislation. We do not know what is going to be recommended but we are being asked to put unknown recommendations into effect.

After that warning the government, on receipt of the report, without consulting both sides as is the normal practice under collective agreements, imposed an arbitrary piece of legislation. Surely that was the most arbitrary decision that could have been taken. I say the present crisis on the Montreal waterfront arises directly from that legislation which the government passed on July 15. Consequently I and many others feel that the government has a responsibility in this situation, but the government does not accept that.

In the legislation the government imposed on unions and management the terms of the Picard report, which then had not been written. In July 1966, during the debate, we were assured by the Minister of Labour and the present Minister of Manpower and Immigration that the unwritten recommendations of the Picard report, which were to be included sight unseen in Bill C-215, would be acceptable. That assurance was given in this house, but the fact is that those recommendations are not acceptable.

By its mismanagement the government in this instance has occasioned the spoilage of hundreds of millions of dollars worth of goods. I mention this because I wish to show the insubstantial and contradictory nature of the minister's position. He cannot be allowed his attitude of being almost a hundred light years away from what is taking place on the Montreal docks. Yesterday I asked him whether he would assume the responsibility of calling both parties to Ottawa at once to try to bring about some understanding and acceptance of this report. That is all that can be done in the circumstances. The government cannot sit idly by and allow events to develop without taking action. Calling the parties to Ottawa for consultation is the only reasonable and the only responsible approach the government should take at this time. After all, they introduced the bill and imposed the terms of the report.

At the time the bill was passed the union had never agreed to the incredible proposal of accepting something which was as then unwritten. Nevertheless the government went ahead, and it went ahead without the agreement of the union or management. The government shoved the bill through and we voted against it. The government have a responsibility to act, and they must exercise that responsibility.

I wish the Acting Prime Minister would not adopt a light hearted attitude and smile. The situation is most serious.

• (11:30 a.m.)

Mr. Martin (Essex East): On a question of privilege, the government is taking this matter very seriously. The government wants this matter discussed today. I was just exchanging friendly glances with the right hon. gentleman who sits to the hon. member's left.

Some hon. Members: Oh, oh.

Mr. Starr: I thought when he was smiling the Acting Prime Minister was looking at me. Maybe I was wrong.

This is not only a matter for discussion, Mr. Speaker. There is a responsibility which lies upon the government and the purpose in drawing attention to the situation is to get them to take some action. It is not sufficient that we should discuss this matter for the

next two or three hours or for the balance of the day. The government must realize that it has a responsibility. Hon. gentlemen opposite must take action. They cannot allow this situation to drift as it is drifting at the present time, though it is true it has been the habit of this government in the past to allow strikes to drag on without making any attempt to bring about a settlement. They have sat week after week and month after month waiting for some miracle to take place because they had no solution to the problem with which they were faced.

The present situation at Montreal is another of the tie-ups which have occurred simply because hon. gentlemen opposite have failed to govern this country, have failed to accept their responsibilities. In view of the fact that the Picard report was made directly to the minister I suggest he should call both parties to Ottawa at once, sit down with them and try to bring about agreement on the terms of this report so it may be implemented in collective bargaining between the two parties and the port may resume operations as soon as possible.

Mr. David Orlikow (Winnipeg North): I welcome this opportunity to discuss the important question now before the house. We believe the work stoppage will do incalculable harm to the whole of the Canadian economy. The immediate pressure arises in connection with the perishable merchandise to which the mover of the motion has already referred, but we are so close to the end of the shipping season in Montreal that the cost of this stoppage to the Canadian ecoonmy, if it continues, is something which cannot be calculated.

I say on behalf of our party that this stoppage cannot be permitted to continue. Yesterday, when he was asked about this situation, the minister said as reported on page 4598 of *Hansard:*

> There is no authority under which the Minister of Labour can intervene in cases of this kind. The parties must learn they should try to work out their own differences.

I personally have always said that free collective bargaining means negotiation between labour and management, and that governments cannot and should not intervene in every dispute. But consider the circumstances in this case. Here is a stoppage which is taking place because the government of Canada did intervene at an earlier stage. Last year when there were problems and stoppages the government of Canada put forward legislation with which many of us disagreed violently. It put forward legislation appointing an arbitrator and making it a condition of the law that the award of the arbitrator should be binding on both parties. It is as a result of that legislation and of an award by Mr. Picard, the wording of which is apparently unacceptable to either side, that we are faced with this stoppage.

It is not a sudden or an unexpected stoppage. For weeks the signs have been apparent. For weeks it has been obvious from press reports, messages and telegrams from the union to representatives of the various parties in this house, that all was not going well. I am sure the shipping federation has been in communication with the minister for some time. For weeks it has been obvious that the arbitration award was giving rise to difficulty, that the understanding of both parties as to its meaning was different. It was obvious that there would be trouble.

The union claims the companies are implementing only those portions of the award which suit them. I shall not go into details, but as I understand it one of the major sections of the arbitration decision provided that there should be a reduction in the number of people working in each gang. The arbitrator obviously based this part of the award on the fact that with the use of more modern equipment the work could be done by gangs containing fewer men than in the past. I believe the number of men was cut from 21 to 16. This is a sharp decrease but, as I understand it, the union and the men are not disputing this decision. They recognize that the advance of technology cannot and should not be stopped.

However, as I understand their case they take the position that in return for agreeing to this reduction in the size of the work force the award contained provision for certain guarantees in connection with the minimum hours for which the men would be paid each week, and so on. As I understand the position the companies have refused to implement this part of the arbitration award. Under these conditions, believing that the companies are unfairly using the law passed by parliament and using unfairly an award made by an arbitrator, and faced by the refusal of the companies to discuss these matters in any kind of amicable and open minded way, the union and the men have resorted to work stoppages.

To me it seems obvious that since the dispute has arisen as a result of differences of opinion as to the report of an arbitrator

appointed by the government following a decision by this parliament, the position taken yesterday by the Minister of Labour that there is nothing he can do is completely untenable. After all, parliaments and governments have intervened in many labour disputes. We intervened in this dispute in 1966. We intervened in the railway strike and passed legislation imposing binding arbitration on the railway workers. I am sure the minister knows that the railway workers and their unions did not want that binding arbitration and are not happy with the awards the arbitrators made. We have intervened in such disputes in the past, and I suggest we have no alternative but to intervene now.

• (11:40 a.m.)

What can the minister do? It may be that he is legally and technically correct in saying he has no legislative power to intervene, but I am sure if he asked representatives of the shipping federation and of the union to meet with him here in Ottawa or in Montreal, those representatives would not refuse to attend such a meeting. I suggest that at such a meeting the areas of disagreement could be discussed and clarified. If at that meeting agreement could not be reached between the two parties on what the arbitration award actually meant, then it seems to me further arbitration would be necessary immediately.

I suggest to the minister and the government that if we are to have labour-management relations which work, if we are not to be plagued with strikes, illegal stoppages or lock-outs, conciliation and arbitration must be performed by a person or persons acceptable to both sides. If either side believes the particular arbitrator or arbitrators are not fair and that that side will not get a just hearing, then when the award is made it will not be accepted.

I suggest to the minister that in Canada there are quite a number of people who are acceptable to both labour and management. If Mr. Picard is not acceptable to one side or the other—I pass no judgment on Mr. Picard; I do not know too much about him or his record—then I suggest to the minister that he appoint another arbitrator. Mr. Carl Goldenberg has acted as an arbitrator in a large number of disputes. There is also Mr. Justice Laskin, and a large number of other people acceptable to both sides.

In conclusion, Mr. Speaker, I suggest that the minister convene a meeting of the parties immediately. If agreement cannot be reached at a direct meeting between the union and management in the presence of the minister and his officials, then the minister should immediately appoint an arbitrator acceptable to both the union and management to settle the issues which are still in doubt and which have caused this stoppage.

[Mr. Orlikow.]

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I wish to thank the hon. member for Saint-Hyacinthe-Bagot for moving the adjournment motion. What we are engaged in is our annual exercise in attempting to free the flow of exports through our dock facilities. We have not quite landed on the anniversary of the last time the business of the house was adjourned to discuss a dock tie up, but we are only a week away from it. This means that an entire year has elapsed during which legislation could have been introduced to deal with this area of the economy, legislation which would have been more than a patchwork solution to an immediate problem and which would have provided some different means of settling this sort of dispute that would not involve the disruption of the flow of exports.

We can expect that if such legislation is not introduced during the coming year then in exactly one year's time, give or take a day or two, we shall be engaged in this same exercise. It seems that annually we pass legislation to deal with emergency situations, to get goods flowing again, but we do not compensate industries thousands of miles away from the work stoppages that suffer not only in the immediate year of the stoppage but in successive years, due to lost markets caused by lack of confidence in the ability of those industries to move their goods on time.

I would use the same example I used a year ago. I have received the same sort of telegram that I received a year ago. The only difference in this case is that the east coast ports are substituted for the west coast ports. I realize that the dispute itself is of a slightly different nature, but the effect on the particular industry in my province, my constituencey, is exactly the same. Such a situation as this produces in that industry, and I am sure in hundreds of others clear across the country, an absolutely scalding frustration at the inability of this parliament to move effectively to prevent this becoming the annual occurrence that we all know it has become.

Looking at the example of the fruit industry in British Columbia, I would point out

that this year import restrictions in the United Kingdom were eased for the first time in many years. This meant a larger market than usual available to an industry whose export markets are absolutely vital. In this context we must look at the things which have happened in rapid confusion over the last few weeks.

The pound sterling has been devalued. While this may not have an immediate impact on the export market this year, the future implications are very serious. In addition a surcharge has been imposed on freight rates from the St. Lawrence ports, a very significant surcharge of 25 per cent clear across the board on all goods moving through those ports, because of the frustration of the shippers who have learned that they cannot move goods freely through those ports. On top of that we have had virtually a complete shutdown of the docks, as a result of which goods that have already moved to the port of Montreal for shipment are in danger of spoiling there before they reach market. The implications for the future are very great.

I sympathize with the minister in the statement he made yesterday, when he suggested that both sides to the dispute act responsibly and use the grievance procedure available to them and attempt to make it work. But we realize that by means of a great variety of legislation during the last several years we have been engaged in the process of chipping away at individual and private responsibility in many fields. We have now reached the point where we cannot expect a prompt and decisive result to spring from the minister's hopes, hopes with which I have every sympathy.

• (11:50 a.m.)

The industry of which I have been speaking made a remarkable drive in recent years to bring its operations up to date. It did this with the full co-operation of the provincial and federal departments of agriculture. The Minister of Agriculture who is listening to this debate, knows the concern of the individual producers throughout the valley to modernize their operations, and he knows the measures this house has taken in areas such as crop insurance—

Mr. Speaker: Order, please. I believe I should remind the hon. member and perhaps others that we are now debating an allegedly urgent situation at the port of Montreal. The hon. member does not seem to be dealing with that matter at all.

Mr. Johnston: With all deference, Mr. Speaker, I think the relevance of my remarks will be clear in a moment.

The industry in the province of British Columbia has improved its operations to the point where it can compete with any in the world. It is on top of this particular competitive field at this time. However, the shipping industry in the ports of Canada is still in the dark ages. The frustration is compounded when any industry in this country which is competitive is impeded at the point where the goods leave this country. That is the relevance of my remarks, and I am sure they will be repeated by spokesmen using other industries as specific examples during this debate.

I would urge the minister to intervene in this debate. If the necessary legislation does not exist to solve this problem it should be brought in as emergency legislation, and brought in quickly. In addition, during the course of the next parliamentary year and prior to the month of November next we should have legislation sufficiently comprehensive and compelling to prevent this annual occurrence.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I think that I will just be making some brief remarks on this occasion.

I thank the hon. member for Saint-Hyacinthe Bagot (Mr. Ricard) for having moved this adjournement motion to discuss such a serious and important matter. Our group would have preferred it if the debate had originated on the other side of the house, and I think that the minister should have taken the opportunity yesterday or today to make an important statement on the present circumstances in the Montreal harbour.

I think that the minister should take the opportunity this afternoon to make a statement on what he intends to do to end this crisis which affects not only the longshoremen but also the export-based economy of the province of Quebec. We want to export our surplus products to give impetus to business in the area served by the port of Montreal, and if we cannot do so because of crises which are more and more frequent, the economy in this area will get worse and worse.

From the court injunction of this morning, it is obvious that one of the parties concerned has not respected important clauses of a contract. If it is so, I think that the minister

should have seen to it that they are respected.

Had strong measures been taken, that crisis could have been avoided. Therefore, if the present Minister of Labour (Mr. Nicholson) cannot have all the terms respected through adequate legislation, the government should consider a cabinet reshuffle as soon as possible without waiting for the next elections.

I hope that the minister will make an important statement which will reassure all the people who are more or less affected by the present crisis in the port of Montreal, telling them that it will be possible to solve it immediately. The minister should use all his influence to help both parties to come to an agreement and respect their contract.

[*English*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, my remarks will be very brief, but I should like to make use of the opportunity to speak during this adjournment motion on the point in question. I can indicate my interest in this subject because of the general transportation picture in eastern Canada. The ports of Halifax and Saint John, which are undergoing a difficult transformation period—

Mr. Speaker: Order, please. Perhaps I should not interrupt the hon. member immediately, but I must remind him as I have reminded others that the only reason this motion was granted was that there is an allegedly serious situation in the port of Montreal. Had the motion dealt with general transportation policy I assure the hon. member it would not have been allowed. The only term of reference the hon. member has is the motion itself.

Mr. Bell (Saint John-Albert): You are quite right of course, Mr. Speaker. I intended to indicate my general fear that this strike might spread to other ports. Reference was made to the fact that two or three days ago the effect of the strike had been felt in Three Rivers and Quebec. These effects are now moving substantially into these ports with dislocations there. I want to put on record my fear that these dislocations may occur in other ports. The ports of Halifax and Saint John are operating under old agreements and may not be affected, but we know that once these things get going they spread rapidly.

I want to express my hope that the minister will act in this regard. He admonished the different parties yesterday in respect of this matter, but this evidently had little or no

[Mr. Laprise.]

effect. We have received representation from the Montreal port council and from the Canadian Export Association through Mr. J. M. McAvity, who in no uncertain terms urged the minister to take action. It is my hope that the minister will not sit back any longer in the hope that by some miracle the court will find a solution, or action will be forthcoming that has not already become apparent.

I listened to the minister on the radio this morning when he suggested this strike was akin to another situation in Vancouver. He said that situation was waited out and finally resolved. I should like to remind him that there is great urgency at this time, with the Christmas season approaching and because of the perishable nature of many goods being transported at this time of the year. The minister cannot wait any longer to take action. As one who for many years has had fears about general transportation in eastern Canada I should like to express my hope that the minister does not let this situation continue.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker I just have a few questions I should like to put to the minister. I hope he will be able to supply the answers. The core of this dispute seems to be related to the interpretation of the Picard report, as to what certain provisions mean. I see that the Montreal port council and others have suggested that if necessary these interpretations should be made by Commissioner Picard in order to clarify his own conclusions and recommendations. However, the unions have rejected any further clarifications by Mr. Picard because they say he is a party to the arbitration report, and therefore some other interpretation formula must be found. I have here a recommendation by Mr. Cutler, which is that another arbitrator should be appointed to interpret the differences in the report.

• (12 noon)

I understood from the minister's reply yesterday that there were grievance and arbitration provisions in the collective agreement. I want to ask him this question. When he met with the parties on Friday did he suggest that they have these differences in interpretation worked out under the grievance provisions in the agreement; and if so, what was the response? Also, what has been the response of the unions to settling these differences in interpretation by the grievance and arbitration provisions in the agreement?

Hon. E. D. Fulton (Kamloops): Mr. Speaker, just before the minister outlines the government's position I would appreciate the opportunity of saying a few words, partly by way of representation and partly by way of suggestion. I intervene at this stage and take advantage of the opportunity given by the adjournment motion primarily because of my concern, as a member from British Columbia, for the welfare of the fruit growing industry there, but also a number of other primary producers who are affected.

The position of the British Columbia fruit industry is, of course, that it has had an old and traditional market for its produce in the United Kingdom, that this produce customarily is moved through the port of Montreal, and that this time of year, approaching Christmas, is the height of that movement. Therefore any interruption or slowing down of the movement of this perishable commodity represents in itself a very serious set-back for the industry, the kind of set-back to which sensitive markets are accustomed to react rather badly.

Those who handle this kind of produce on the other side need the assurance that their trade requirements will be met, and if there are interruptions in the supply it gives the British Columbia fruit industry a bad mark. So there is an understandable sensitivity and concern on their part for an interruption such as that brought about by this slowdown. The concern is heightened now by the fact that the United Kingdom market, as a result of devaluation, is made a much more difficult market on that ground alone. That situation is difficult enough.

There are no alternative supplies of as good quality apples, but there are alternative sources of supply of apples. When you have the situation where because of devaluation our hazards in the United Kingdom market are increased, and you add to that the difficulty in transporting the goods, in other words in meeting the commitments, you realize that firm contracts are jeopardized by the situation in the port of Montreal. Therefore, Mr. Speaker, I am sure you will agree with me that the concern and urgency with which the British Columbia fruit industry regards this situation are entirely justified.

On that basis they feel, and I support them, that the minister can no longer refuse to intervene directly. After all, it was the government, on the recommendation of the Minister of Labour, that introduced into this parliament and had passed the bill setting up the first arbitration process, so the government has an inescapable responsibility to see that the terms expressed and implied in that statute are carried out. We opposed the bill at the time. We said it would make difficulties. The hon. member for Ontario pointed out clearly the kind of difficulty it would create. But the government insisted and were successful in having the bill passed by the house.

The bill says the findings of the arbitrator shall be incorporated into the collective agreements. That is the expressed provision of the bill. I say this means by implication, and by necessary implication, that those findings must be carried out. I say the government cannot drop the matter at this stage and say "There is a dispute as to their terms and it would be really most improper for us to take any further action by way of intervention either directly or indirectly". I say the minister must bring the parties together and keep them together until they arrive at agreement as to the meaning of the terms.

The minister must impress upon the parties their national responsibility. I know he is reluctant to go further than what he thinks is the general guiding principle with regard to direct intervention in matters of this kind. I respect that principle and appreciate his reluctance, but I say that having picked up this hot potato, he cannot drop it now.

I appeal also to the Minister of Agriculture. I am quite certain he is aware of the seriousness of this situation for primary producers without the necessity of my further elaboration. I suggest he should join the Minister of Labour in meeting the parties to the dispute and impressing upon them that while they have understandable concerns, which are respected, nevertheless there is an overriding concern which they too must respect; and that is the concern for the national good and for the welfare of parties who are powerless to intervene directly. Those parties being powerless to intervene directly, they must be represented by and action must be taken on their behalf through the ministers of this government.

I know the government are concerned about this matter, and my suggestions are not made on the basis that they have not thought about it and expressed their concern. I believe the Minister of Manpower and Immigration, the Minister of Labour and the Minister of Agriculture should form a team and meet with the parties to this dispute. They should meet with them without delay,

and insist upon their being called together and kept together until they have arrived at agreement, so that in the national interest the full measure and pace of the transportation of goods through the port of Montreal can be resumed.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish very briefly to support this motion of urgency. I support the remarks made by the hon. member for Okanagan-Revelstoke and the hon. member for Kamloops as to the effect this situation is having on the fruit growers of British Columbia and on certain other primary producers. The ones who suffer immediately and to the greater extent are the fruit growers themselves, because they are not in a position to adjust to certain circumstances as are other large scale primary producers, particularly in industry.

Telegrams I have received indicate that this is a matter of increasing and growing concern to many of the people we have the honour to represent. In this connection I should like to place on record the text of a telegram I received, as did the other hon. members who have spoken. The telegram reads as follows:

> Deteriorating slowdown St. Lawrence ports and 25 per cent surcharge imposed by steamship companies on ocean freight rates threatens losses our growers disruption shipping schedules and serious additional financial burden United Kingdom importers already hard pressed by sterling devaluation.
>
> Please confer ministers agriculture and labour for appropriate action as complete tie up St. Lawrence ports could result cancellation our firm orders and serious losses Canadian exporters. Eric W. Moore, general manager, B.C. Tree Fruits Ltd.

• (12:10 p.m.)

Since I have received that telegram they have become more concerned than ever. I have discussed this matter with the Minister of Labour and his officials, and with the Minister of Agriculture. Because of the more serious impact upon the agricultural producers, particularly at this time of the year, and the possibility of losing Christmas and winter markets which have been established throughout the years in Great Britain, I do urge that the ministers take action to bring these parties together and resolve this dispute in the national interest.

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to say a few words on this subject because, as has been expressed previously by the hon. mmeber for Saint John-Albert, we do have some fears in Halifax and Saint John about the course that is being followed here. I am afraid a rather big chicken has come home to roost on the shoulders of the government. We all recall that last June the house passed Bill C-215, which settled the dispute between the longshoremen and the shipping federation of Montreal. One of the provisions of the bill—and I suggest it is the one that is causing the difficulty, and indeed the crisis, on the Montreal waterfront and on other waterfronts on the St. Lawrence river—required the commissioner to report on certain problems. At that time the hon. member for Ontario pointed out that this was a rather grave departure from the established labour practice in that this was the imposition of a formula on the parties concerned rather than something that could be studied by both sides and on which agreement could be attained through the normal processes of collective bargaining.

My concern is that the Picard report obviously not only covers the situation in Montreal but will also affect other ports in Canada, including the one I have the honour to represent in parliament. We know only too well that our longshore operations have dwindled over the years, and that we are in a serious position with regard to these operations. I would not like to see them further affected or worsened by what we are going through as a nation in the port of Montreal.

I should like to say to the minister, with all due respect to his position and the statement he made yesterday, that he should now admit to the house that he is wrong and express a willingness to use the vast prestige of his office to get both sides together with him, instead of meeting with one or the other or having his officials meet with one or the other. I believe he should go over the situation to see whether it cannot be resolved to the satisfaction of both sides.

The hon. member for Kamloops has suggested a ministerial team which should work on this problem. I do not believe he mentioned the Minister of Transport as a possible member of that team, yet transportation problems in large measure are at the heart of the difficulty, as well as the more immediate labour dispute with which we are seized.

Again I say that I hope the minister will be inclined to change his mind so that instead of having a bloody battle between employers and employees, over an issue in Montreal, any differences on the Picard report will be worked out; because sooner or later they are bound to affect every other port in Canada.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I just want to make a very few, short remarks on this most serious problem. I think what has developed in Montreal highlights the growing problems and difficulties which our country and the house have had to face in the past two or three years. It is not my intention to recriminate against the government, the shipping federation in Montreal or the trade unions, but for a long time I have been feeling that something of a very specific nature must be said, whether it is popular or unpopular.

The fact that we are discussing an urgent motion to adjourn highlights the problems and brings me to my feet. We have reached the stage now where the economy of Canada is being increasingly endangered by the inability of companies and trade unions to come together, and the failure of the government to intervene to bring the two parties together. Our position as a trading nation is being endangered by an expression of selfish interest by the particular groups concerned.

I am afraid that in this most serious problem which is now before us somehow or other, whether from the viewpoint of the employers or that of the employees, it must be made clear to all Canadians that in the interests of our economy if certain groups cannot get together, eventually parliament will be forced to act, although in my opinion it does not wish to act in regard to the free collective agreements in Montreal, Vancouver or anywhere else. Speaking as a former trade unionist and as a member of the New Democratic party, it seems to me I would not be acting as a responsible member of parliament, at a time when our economy is being endangered by lockouts, strikes and disagreements on interpretation, were I not to say that now is the time to tell everyone in Canada individually and collectively that we have to think more as Canadians and less as individual groups expressing their selfish interests.

I feel very strongly about having to rise and make the statement that I would be a completely irresponsible member of parliament if I did not say that we have reached the point when something like this must be said. Therefore I appeal to the minister of Labour through you, Mr. Speaker, for heaven's sake to try to bring the opposing groups in Montreal together both in their interests and in the interests of our trading position. Let the port of Montreal be opened as speedily as possible. Then, once it is opened, we should immediately bring these groups together to see if we can bring to a halt this impeding of our Canadian economy.

• (12:20 p.m.)

Mr. Jack McIntosh (Swift Current-Maple Creek): Needless to say, Mr. Speaker, I was very interested in the remarks of the last speaker, the hon. member for Vancouver East. When the hon. member referred to selfish interests, he neglected to name them. I do not know whether he meant the employers or the employees. Representing an agricultural constituency as I do, this situation does not concern me except that I should like the minister, in the course of his remarks, to say what effect it will have on the export of prairie grain, I am not so sure the effect on grain shipments is serious at the moment, but I recall the situation of a year ago which caused the loss of markets for prairie grain which meant so much to the economy of Canada.

I am quite sure the government, since they have no members from western Canada, will say they are not aware of this situation. However, it has been brought to their attention time and time again. I could almost repeat word for word the remarks of the hon. member for Kamloops when he was referring to the problems of the fruit growers. There are certain times of the year when the fruit crop has to be moved, otherwise it will spoil. The situation is not quite that serious with regard to grain, but it is a serious matter to western farmers if this grain does not move.

If we do not take advantage of the markets which are available at certain times of the year, then we will have lost those markets. I suggest to the minister that at the present time Canada is in difficulty because we have lost grain markets. This fact does not concern the grain producer on the prairies alone but is of concern to the whole of Canada.

The hon. member for Vancouver East did say this situation presented a danger to the economy of Canada, and I certainly agree with him. In fact I would go further. I suggest that about a year ago, I believe on June 8, a bill was introduced by a member of the New Democratic party, and why it was withdrawn is beyond me. The bill introduced by the hon. member for Skeena was entitled "An act to provide for the resumption of loading and unloading at the ports of Three Rivers, Montreal and Quebec." For some reason or other this bill was withdrawn on June 14. The leader of that party appeared on

television just before that; then the bill was withdrawn for reasons which are beyond me, unless there was pressure from some of the labour groups from whom that party gets support.

I have not very much to say about strikes. As I said before, I am from western Canada and I do not represent a high percentage of labour. I am opposed to strikes when they affect innocent people, and I am afraid this is one of those cases. If the longshoremen and the shipping companies have a dispute, then certainly there must be some means of settling that dispute. I believe the fact that this strike is affecting innocent persons is one of the most important reasons for the minister to step in and take some action. This is the only way these innocent people can be protected. I hope that in the course of his remarks the minister will say something about the effect of this strike on western grain shipments.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): As a western member and the representative of a grain growing area, Mr. Speaker, I should like to make a few comments at this point. I will be brief since the hon. member for Swift Current-Maple Creek outlined the situation fairly well. However, there are a few more points I should like to make. I want to join with other speakers in urging a quick settlement of this dispute which is tying up shipping in the port of Montreal. The hon. member for Ontario posed some very important questions which I hope the minister will try to answer.

I wanted to mention the latest report of the Dominion Bureau of Statistics. I feel this is in order, Mr. Speaker, because the report refers to wheat shipments through the port of Montreal. Reference has been made already, of course, to the fact there has been a slump in grain exports this year. I am sorry the Minister of Trade and Commerce is not here because he always has a cheerful outlook on the situation. He says it is going to improve. Perhaps it will improve, but it cannot improve unless the dispute at the port of Montreal is settled, because a lot of grain does move through that port.

I should like to refer to this report by the Dominion Bureau of Statistics for November 1, 1967. The period covered is from August 1 to November 1 of this year, during which time we shipped through St. Lawrence ports, that is Sorel, Trois-Rivières, Quebec but mostly Montreal, and through other Canadian ports, just over 60 million bushels of wheat.

[Mr. McIntosh.]

Last year was just an ordinary year, but during the same period from August 1 to November 1 we shipped nearly 156 million bushels. I do not blame the present dispute in the port of Montreal for this drop in exports; I blame a lack of effort on the part of the government in getting out and selling our wheat.

The Minister of Trade and Commerce says he is going to sell wheat in the near future; that is the hope he holds out. If he does, then the operation of the port of Montreal will become very necessary in order that this wheat may be moved. I just wanted to emphasize the interest of western members in the settlement of this dispute. I hope the questions posed by the hon. member for Ontario will impress upon the government the seriousness of the situation.

• (12:30 p.m.)

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to say a few words on the present crisis in the port of Montreal and mention especially that I am surprised at the attitude of the Minister of Labour (Mr. Nicholson) concerning the conflict.

Indeed, the Minister of Labour seems to approach this problem in a rather surprising way. Yesterday, he stated in the house, and I quote his own words reported on page 4598 of *Hansard* of Thursday, November 23:

> The parties must learn that they should try to work out their own differences.

That is what the minister said.

That is not a labour conflict that was created by the parties, it is rather a conflict that arose from the report of a commission appointed by the government and the Minister of Labour.

If there is a conflict at the present time in the port of Montreal, it is due to the report of a commission appointed by the government and the minister is trying to evade the responsibility by saying:

> The parties must learn that they should try to work out their own differences.

A little further down the same page, the minister added:

> The parties have their rights, but they have not attempted to exercise them in the manner agreed upon. They are looking to the government to impose a solution. I think it is about time they learned they must work out their own solutions.

The minister says: "It is high time the parties should learn they must work out their own solution."

Then why do we have a Minister of Labour? What is the minister doing? What is his role if it is not to solve problems? The minister simply says that it is about time the parties should learn they must work out their own solution. Under the circumstances, Mr. Speaker, the Minister of Labour has nothing else to do here, the only thing he has to do is to resign and since he will no longer be available to help to settle disputes, the parties themselves will find their own solutions.

Why would the minister continue in office then? What else does he have to do? Mere red tape.

Yesterday, the hon. member for Ontario (Mr. Starr) asked the minister the following question:

Will the minister use the stature and importance of his office and summon both parties to Ottawa at once in order to help mediate an agreement on the understanding of the Picard report?

The minister answered:

No, Mr. Speaker.

So, the minister does not want to use the stature of his office and summon both parties in order to try to mediate an agreement on the understanding of the report.

What is the role of the minister in this case? Is he minister in name only and has nothing to do here? What is his role? The minister should give us an answer to that.

Mr. Speaker, if the Montreal harbour is at a complete standstill today and if everything is stopped, it is precisely because the minister did not take the matter seriously and preferred to tell the parties: I am non-existent, find your own solution yourselves, do not rely on me, I do not want to act in this case. Or, as he said yesterday: Both of you, management and labour try to settle your own differences alone, I do not want to assume the duties of a Minister of Labour any longer.

The results measure up to our expectations. Is the minister losing interest in the whole matter like he said himself yesterday, as shown clearly by the quotations I have just referred to.

Well, if the minister is completely disinterested in the matter, he has only one thing to do, that is to tender his resignation, since he is unwilling to play his role seriously.

I remember very well that last year, at the time of the strikes in British Columbia ports, the Minister of Labour had made a rousing appeal, asking everybody to settle that strike as quickly as possible, since the ships were loaded with perishables.

You remember, Mr. Speaker, that over a few hours delay, the minister had made charges of irresponsibility and called me irresponsible for refusing to accept one of his proposals with regard to the strike in British Columbia ports. He had called me irresponsible because those ships were loaded with perishable cargo, and the same situation prevails today. As the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) said so well, there is one million dollars' worth of perishables sitting there, and the hon. minister does not want to do anything.

Therefore, Mr. Speaker, I am forced to turn on him the charge he levied against me last year and tell him in his turn that he is irresponsible in not wanting to do anything—since he used that expression last year—about the perishables which are piling up in the port of Montreal.

Mr. Speaker, the hon. minister does not want to act; he remains idle. It must be recognized that he is the one who used the word "irresponsibility" which applies so well to him today.

In the light of those facts, I feel that we are justified in requesting the resignation of the minister. Mr. Speaker, might it be that the hon. minister was eager to solve the problem in the ports of British Columbia last year because he comes from that province? However, when it is a problem concerning Quebec, the minister is no longer in a hurry, he merely says: "Let the parties learn to work out solutions among themselves; as for me, I will not get involved". When British Columbia is involved, special measures, special bills are quickly introduced before anyone can turn around. But when Quebec is involved, there is nothing to be done, and the minister says so: "I have no intention to step in." He also stated yesterday, and I quote:

I think it is about time they learned they must work out their own solutions.

Quebec is treated differently than the province represented by the Minister of Labour.

Mr. Speaker, such an attitude is unthinkable and unwarranted, and in closing, I call for the resignation of the Minister of Labour, who cannot do his job and who prefers to let things go unchecked rather than try to find solutions to the problems within his department.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I had no intention of taking part in this debate, since quite a few members, from

my party as well as others, have expressed their opinion.

However, I have been struck by something on which I particularly wish to insist. Up until now, not too many members from the island of Montreal have expressed their opinion in the course of this debate.

I have no ulterior motive in saying that, Mr. Speaker. However, those members are right on the spot and should be more familiar with the problem than we who are further away. For example, I would like to know the opinion of the hon. member for Verdun (Mr. Mackasey), to whose services the government constantly has recourse to settle certain problems or to get out of tough spots. I know that the hon. member for Verdun is a rather serious man, whose judgment can generally be trusted, and I think his opinion would be most appreciated at this time.

[*English*]

I hope the hon. member for Verdun will not hold it against me if I make this request of him. In the circumstances his participation in this debate as a member from an area close to the Montreal docks would be most helpful in view of his knowledge of the subject. It would help not only to get the government out of trouble but also to get some of his constituents out of trouble.

• (12:40 p.m.)

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to ask the hon. member for Mégantic whether he has noticed that only three members from the island of Montreal are here today, for this important debate, and that the others are not interested at all—

Mr. Speaker: Order.

Mr. Grégoire: Has the hon. member noticed that too?

Mr. Langlois (Mégantic): Mr. Speaker, I had indeed noticed it. I am not as blind as some hon. members opposite who do not see the importance of that problem as other hon. members do.

I know that the minister does not intend, according to the answer he gave yesterday to the hon. member for Ontario (Mr. Starr), to intervene in the conflict, and that he leaves it to the parties to work out a solution to their problem.

Mr. Speaker, I have noted a fact which is often distressing; before taking action to settle a dispute or a problem, the government waits until it degenerates into a serious crisis and then, when there is practically no way to settle it, administrators, arbitrators, etc. have to be appointed. Why does the minister not intervene at this time to settle the dispute? Why is the minister afraid to become involved in this? It is his job, why does he not do it?

Mr. Speaker, what kind of occult forces are at play behind those strikes, those conflicts, particularly this one, to make the minister refuse to deal with it. He knows very well that the economy cannot afford another strike. There have been enough, why wait until that conflict becomes worse before intervening directly?

What the minister said yesterday is true; we do not have time to deal with all those problems. But if parliament does not have time to consider them, it is the minister's duty and role to do so. It is up to the minister to act immediately so that parliament may not be compelled to take steps in the near future.

When the minister is discharging his duties off-handedly, the government is compelled afterwards to pass legislation to settle those problems. As those responsibilities are not discharged, because nobody cares about the matter a crisis breaks out. The house must then be adjourned to settle the problem.

Due to the problems which we are facing at the present time, such as credit restriction, the rise in the cost of living and all the other factors giving rise to inflation, the risks of a recession which are evident for those who have insight, the economic difficulties, especially in the eastern part of the country—it must not be forgotten that the dispute in the Montreal harbour does not only affect the province of Quebec, but also all Canadian producers who use the port of Montreal and the St. Lawrence seaway—I think that the minister cannot afford to ignore a problem and to let it develop into a national or serious crisis. If the house adjourned today under standing order 26, it is because this problem is of national concern, otherwise Mr. Speaker would not have accepted the motion. In this connection, Mr. Speaker, I do not question your judgment, but that of the minister.

I readily believe that the minister does not have to worry about such matters ahead of time. However, the answer he gave yesterday to the effect that he had no intention to settle the problem or to intervene was rather clear. It would have been better for him to say: let

us wait a while and see how things develop. But it is absolutely false to tell us that he will have nothing to do with it, that it is none of his business.

I should like to ask the hon. minister to intervene, to summon the two parties and see where the trouble lies, where the problem or difficulty started. We had an arbitrator and a commission last year, in 1966, to do so: the Picard commission. Who has failed in applying the recommendations of the report? Who is responsible: The employees or the employer? We should know. Why should the minister, who endorsed the Picard report, now wash his hands of the whole matter, when it may well be that something is lacking in the report or in its implementation?

It is his duty as minister to look the situation over and to correct it. The minister is the only one who can solve it; I am quite familiar with problems of this type; quite a few of them have arisen in the past. Instead of ironing themselves out, they get progressively worse. We are reaching the point where nothing can be solved. The two parties take up their positions and, finally, parliament is compelled to step in through legislative action.

So, Mr. Speaker, the minister cannot afford to let the situation deteriorate in this economic area. Then, some people wonder why grumblings are being heard in some provinces, particularly in Quebec. We voice our concern over separatism, the fate of Canada, we discuss changes in the constitution, bilinguism, anything you want. In the last analysis, it is simply—

Mr. Speaker: I would remind the hon. member that we are now considering a motion concerning the port of Montreal. The hon. member is talking about separatism. It seems to me that we have wandered away from the question under consideration far enough for us to come back to it.

Mr. Langlois (Mégantic): Mr. Speaker, I readily accept your remarks and the point you have made. However, if some hon. members see no relation between separatism and the economic troubles we have in our part of the country, I must say frankly and sincerely that I do. Moreover, I believe it is my duty to express my opinions in the house. The minister may not express his, but I do mine, and in good faith. I am convinced that it is my duty to do so.

The Chair may hold a different view. I may perhaps hope that my views are not justified but complete work stoppage in the port of Montreal is something that the economy neither of Quebec nor of Canada can afford at this time.

I make the connection with separatism because that may be remote but it is effective and dangerous. And possibly if more strikes were settled and fewer problems arose, or if more security were available for Montreal longshoremen, as well as elsewhere in the country, because such a strike affects all producers, possibly there might be fewer problems in Canada, problems of separatism, independence and all you can wish for.

In closing, I should ask the minister to kindly reconsider his position and to intervene in the conflict, not to impose a solution, but at least to try and discuss with the parties involved so as to arrive at an agreement before it is too late and before parliament is forced to take the situation in hand.

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I understand very well the reasons why the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) moved the adjournment of the house this morning to deal with the situation in the port of Montreal.

I am sure that everyone, and that is obvious from the views expressed here, is concerned about the long and short term repercussions that this situation might have. Hon. members from the various parts of the country are asking themselves questions. The newspapers have told us that the National Harbours Board has asked the government to intervene. The Canadian Exporters Association is worried. People worry about what is happening to the image of the port of Montreal throughout the world. But, in short, what is the problem?

• (12:50 p.m.)

It is said that the Minister of Labour (Mr. Nicholson) does not want to assume his responsibilities, but I can tell the house that we have in the person of the present Minister of Labour a man who, during the last few years, has done a great deal to settle disputes and has taken unusual steps to prevent situations such as the one we are facing today. I shall even congratulate him for everything he has accomplished in that area over the years.

In 1966, he took position on that question by way of ministerial action, an action in conjunction with the government; it was then found possible to give longshoremen a

substantial wage increase and settle differences which went beyond monetary consideration.

Mr. Picard was appointed to help settle the various points at issue, and the situation prevailing at this time is no more and no less than a misunderstanding between both parties, the Montreal longshoreman and the Shipping Federation, as to the interpretation of the Picard report. What I find strange, Mr. Speaker, is that this report was accepted by both parties; yet, they failed to agree as to its interpretation. It is admitted practically by all that some recommendations or suggestions in the report are not very clear, and during the debate this morning, it seemed that all sorts of things were being added.

A few moments ago I heard the hon. member for Lapointe (Mr. Grégoire) say that—I am sorry for bringing this up, but since this gentleman raised the matter first, I would like to make this point—in the case of the dispute involving the port of Vancouver, the minister shouldered his responsibilities, and if the present dispute involved any harbour other than Montreal, he would act much more quickly.

Mr. Speaker, I agree with the minister and I approve his answer to the question which was put to him yesterday in this house. Words should not be misinterpreted. As is shown on page 4598 of the *Hansard* of November 23, this is the answer given by the minister to a first question asked by the hon. member for Okanagan-Revelstoke (Mr. Johnston):

> There is no authority under which the Minister of Labour can intervene in cases of this kind. The parties must learn that they should try to work out their own differences.

I agree with that in principle. It does not mean that there is not a little more to be done in the present case. However, I will read the answer given by the minister to a supplementary question put by hon. member for Ontario (Mr. Starr), and I quote:

> As I reported to the house yesterday, I have discussed this matter at length with one side last Friday and offered to do so with the other. Officers of my department have discussed it with that other party. It has even been suggested that if there is ambiguity in one or two passages of the Picard report or at least arising out of the fact that the Picard report supplements and amends the existing agreement, that Dr. Picard himself be asked to clarify ambiguities. One of the parties, the unions, will not accept that suggestion.

[Mr. Laniel.]

Nevertheless Mr. Speaker, I wonder to what extent the Minister of Labour, the government, will always be asked to intervene and dictate solutions?

Personally, as a taxpayer, as a citizen believing in democracy, when I hear labour unions and various organizations make demands on the authorities or secure the right to negotiate, I do not know what to believe because as soon as a conflict arises, we see what happens.

As a matter of fact, we have seen what happened in Montreal at the time of the Transport Commission conflict. At that time, the member for Lapointe did not make charges against the Johnson government as he did against the federal Minister of Labour, because it is not helpful to his cause of Quebec independence. Nevertheless, and as a citizen of the province of Quebec who sees people act and looks at the existing organizations and the means available to settle these differences, I consider that the reply of the minister is fair and that, on the whole, it represents a solution that was not accepted by one of the two parties.

Obviously, Mr. Speaker, the situation which prevails now cannot continue. However, nobody in this house can deny that Mr. Picard is away on holidays at the present time and that he will be back on Monday. I think that a solution may then be found, because if there is a man who can interpret the contents of the Picard report, I feel that it is not the federal Minister of Labour but Mr. Picard himself and if, following that interpretation, a practical solution cannot be found, then the minister might review his stand.

The minister wanted this debate and he can tell the house this morning to what extent his views may have changed. In the meantime, I trust him, and I am convinced that if the house continues to take positive action, we shall find a solution to this problem in a very near future.

[*English*]

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my remarks will be very brief; it is getting close to one o'clock and I will try to conclude them before the break if possible.

First I should like to join with my hon. friend the senior member for Halifax and support the suggestion he made in furtherance of the remarks of my hon. friend from Kamloops with regard to a task force. I urge the minister to give serious consideration to uniting with the Minister of Manpower and

Immigration and bringing into that group the Minister of Transport in an attempt to overcome this problem.

Mr. Bell (Saint John-Albert): Where would you find the Minister of Transport?

Mr. Forrestall: He has not been in the house, I grant you, but he must be afoot somewhere. In any event the suggestion made by my hon. friend from Kamloops is sound and should be pursued.

The second point I wish to raise is connected with the difficulties which seem to be arising in the interpretation of the Picard report. I would simply draw the minister's attention to the fact that for some two years the basic recommendations in this report have formed a very satisfactory working arrangement in the ports of Halifax and Saint John. In these circumstances, even if the minister is not legally able to intervene he can at least make clear through his actions in the House of Commons and through those of the officials of his department that on moral grounds there is an urgent necessity for the parties concerned to come together and stay together until the present difficulty has been resolved. It would be simple for me to stand up here and say don't do it. We welcome the business in the port of Halifax but, unlike Montreal, we do not welcome business at the expense of the other ports of Canada; we like to do business in other ways than that.

Third, I would be grateful if when he speaks later the minister would give us some idea, as to what the situation is likely to be in view of the proceedings before the courts in Montreal today. Just what will be the repercussions of this in terms of disruption not only in Montreal but possibly throughout Canada, bearing in mind that there is an obligation on the part of the unions to support each other when, in their view, an issue is just?

In summary, I join with my senior colleague in urging the minister to bring under his wing the new Minister of Transport; it would do him good to get his feet wet. Then, as I say, for some two years the ingredients of the Picard report have formed the basis of working arrangements in Halifax and Saint John. We have experienced absolute stability there and we can tell the world, if it wants stability, to send its goods to Halifax and Saint John. And this stability has been achieved on this basis of the report which seems to be causing the difficulty.

At one o'clock the house took recess.

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AFTER RECESS

The house resumed at 2.30 p.m.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I want briefly, to add my voice to those of members who have already spoken during this important debate. I feel I would be derelict in my duty if I did not take advantage of this opportunity to support my western colleagues in particular, and hon. members in general with respect to the emergency situation that has arisen in the port of Montreal. Various hon. members have mentioned the general effects of this emergency on our economy as a whole, but coming from Saskatchewan where our economy depends to a large extent on the welfare of agriculture I wish to say, as was said by the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) and the hon. member for Swift Current-Maple Creek (Mr. McIntosh), that we in the west are naturally concerned about the loss of markets, slowdown of shipments of grain and the resulting loss to the economy as it affects the farmers of western Canada.

I must compliment the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) for introducing the adjournment motion and also you, Mr. Speaker, for your discernment in granting this debate under the rules. I would like to suggest to the Minister of Labour (Mr. Nicholson) that he take a leaf out of the book of the former minister of labour, the hon. member for Ontario (Mr. Starr), with respect to the way he handled similar emergencies during his term of office. If the minister would look over the record he would find that the former minister's record was an excellent one. The former minister adopted practices and policies that worked out very successfully, and I think this would be the logical thing to do in the present emergency.

I would also agree with the suggestion made by the hon. member for Kamloops (Mr. Fulton) that the setting up of a ministerial task force might be the best way to get us out of this altercation. It is said that two or three heads are better than one under circumstances such as the present, and having such a task force might influence both labour and management and help them to get together as soon as possible.

I know that members of parliament will receive strong representations about this matter. It has already been mentioned that the Canadian Association of Exporters, the Canadian Manufacturers' Association, the Western wheat pools, the Federation of Agriculture, the National Farm Union and

other organizations across Canada are going to be vitally interested and will be expressing their alarm with respect to this state of affairs if they have not already done so. It is interesting to note that the Saskatchewan Wheat Pool, meeting in Regina last week adopted a resolution in these terms:

—that they should continue to seek changes in Canadian labour legislation to prevent disruption of unrelated economic activities through work stoppages in major industries.

It was suggested that some form of labour-management court might be required.

So, Mr. Speaker, with these very few remarks I would like to endorse what has already been said, namely, that we are in a state of emergency and that the government, which is responsible for alleviating it and solving the problem, should take the urgent steps that are being suggested.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, there was one remark made by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) with which I can agree. I may not agree with some of the extravagant language that he used when moving his motion, but when this matter was being put to the house I made it quite clear that I am in complete agreement with him that the situation is a serious one. It certainly is not one that can be passed over lightly and I would not want him or any other hon. members to think that it has not received serious, careful consideration and action over a period of several weeks not only from me and my department but from the government generally.

As I listened to the speeches this morning, Mr. Speaker, I felt that at least some of the hon. members who participated in the debate had short memories. There was not a single reference to the fact that the very first day this dispute was raised in the house I, as the minister, outlined a course which I thought was the sound and proper one to be followed.

The hon. member for Notre-Dame-de-Grâce (Mr. Allmand), who participated in the debate this morning, did interest himself several days ago when he first asked about the dispute on the docks. He referred to it as a wildcat dispute. On that occasion I said that I had received certain representations in a telegram from the Montreal port council. As recorded on page 4181 of *Hansard* for November 13, some 11 days ago, the telegram which I sent in reply to one received from

[Mr. Southam.]

Mr. William Baatz, the president of the Montreal port council, read as follows:

• (2:40 p.m.)

Referring your telegram tenth the collective agreements governing longshoring activities in the Saint Lawrence ports provide for arbitration of grievances. The fact that the agreements have been amended as a result of the Picard report does not affect said arbitration provisions. In view of this and of the urgency of the situation I have sent the following telegram to the Shipping Federation of Canada and the International Longshoremens' Association.

"I am proposing herein to the Shipping Federation of Canada and the International Longshoremens' Association that they agree to the appointment of an arbitrator to be chosen by me to make final and binding decisions with effect until December thirty-first nineteen sixty seven on the issues which have affected shipping operations at the port of Montreal... With the end of the active shipping season near and the year-end holiday season fast approaching, it is imperative that full waterfront operations resume at the earliest time. I would appreciate your immediate advice so that arbitration can proceed."

That telegram went out, as I have said, about 11 days ago to the interested parties. The reason I suggested arbitration will be obvious to anyone with any knowledge of collective bargaining procedure, several of whom I see in this house.

Mr. Starr: Would the minister permit a question at this point? What replies did he receive from the parties to whom he sent the telegram?

Mr. Nicholson: I will be dealing with that in the course of my remarks.

Mr. Starr: I thought you might deal with them now to complete the picture.

Mr. Nicholson: I will deal with them in an orderly way.

Mr. Starr: It would be orderly to deal with them now.

Mr. Nicholson: The reason I suggested arbitration should be perfectly obvious to anyone with any knowledge of how the collective bargaining process works in this country. My remarks will also make it clear why the position of the Minister of Labour differs in this dispute from his position in most disputes which attract headlines in newspapers and the news media in this country.

The ordinary dispute between labour and management usually comes about after a collective agreement has expired and there is no agreement in force. That was the situation we were dealing with in the spring or early

summer of 1966. The collective agreements between the shipping federation and the longshoremen in the St. Lawrence ports had expired on December 31, 1965. The parties had some discussions and in April, 1966 they asked for the establishment of a conciliation board. The minister has not only the right but the duty to establish a conciliation board when such action is requested. Within a matter of hours of the time that request was received a conciliation board was established. On the very day that the representative of management and the representative of the workers asked for the appointment of a chairman I appointed a chairman. The hearings began but quickly broke down. Hon. members will recall that within a matter of hours of the breakdown of negotiations in early May of last year I was able to persuade the man I regarded as best equipped to mediate the situation to step in. I refer to Judge Lippe. He knew the problems and he had acted in a similar situation in 1963, at which time he had done an outstanding job.

Judge Lippe took this job on and after he had been at it a few days—this is of importance to those people who are so critical, and I am not referring to hon. members only but to the public generally—he said that the longshoremen had asked for a substantial increase in wages to be incorporated in the new agreement. He said that the employers seemed prepared to give them what they were asking for the year 1966 and that they would extend this into the year 1967 in return for an assurance of greater productivity during the second year.

Judge Lippe in his capacity as mediator worked on this dispute trying to bring about some assurance of increased productivity. When those efforts failed I, as minister, moved in again within a matter of hours of the time Judge Lippe asked me to do so. I invited the parties to come to Ottawa to see me. They met with me and others of my colleagues, and we were in session for several hours one afternoon extending into the early part of the following day. We met again on Sunday and again the matter was adjourned, but progress was made in narrowing the issues.

Let me indicate how difficult it is for a minister of labour, particularly a minister with my background—the only small bit of work I have done on the labour side was done when I was a lawyer acting for labour, and my association with labour-management negotiations was on the management side—to settle these matters. When I was reporting to the house that progress had been made we ran into great difficulty because someone during our talks said that the demands of the union without increased productivity were fantastic. I did not say they were fantastic, but this was the view taken by some responsible people.

The issues had been narrowed and some two weeks later along with three of my colleagues I met with representatives and we were in session with them at separate caucuses and jointly from nine o'clock in the morning on Saturday until nearly six o'clock the following morning, twenty and three-quarter hours without a break. We still were not able to bring about an agreement.

We held a further meeting the next day, on the Monday, when a proposal was made that if the parties could agree on the monetary points—wage increases and fringe benefits—there would be nothing left to settle except job security, which presented a difficulty, and we indicated that we would consider at a later date the introduction of legislation to appoint a commissioner who would take his time in inquiring into this whole matter thoroughly. He was to deal with job security and his findings might be binding and made part of the collective agreements.

When that settlement was reached the minutes drawn up in my office in this building made reference to the fact that collective agreements were to be drawn, which could be modified by agreement or otherwise. These facts came out during the lengthy debate last year. The interesting thing is that while objections were raised when this matter came before parliament in July of last year, and reference was made to this by the hon. member for Ontario and others this morning, the representatives of the unions concerned made it clear that they had not asked for what in effect would be compulsory arbitration. They had assured me and my colleagues in no uncertain terms, however, that being good citizens they would obey the law if such a law was passed.

Mr. Starr: They always say that.

Mr. Nicholson: It should be borne in mind that these interim agreements were drawn up in June of last year and that just a few months ago, after the Picard commission had been working for the better part of a year, the minutes of the settlements were reduced to formal documents and signed by both parties. There is a whole series of collective

agreements signed by the unions as well as by the shipping federation. They were signed with the knowledge that the Picard report would be handed down, we hoped soon. They must have realized at that time that under the law passed by this parliament each of those agreements would be automatically and immediately modified to the extent of the conclusions in the Picard report.

• (2:50 p.m.)

The Picard report became available at the end of October. It was necessary to have copies of it prepared in English and in French because of the large number of people directly concerned and because I felt, as minister, that parliament having passed the legislation members should have copies of the report as soon as it became public.

Mr. Starr: Mr. Speaker, I rise on a question of privilege. When the Minister of Labour claims that parliament passed the bill he should make it absolutely clear that it was the government members who in their majority approved the bill and the opposition voted against it.

Mr. Nicholson: We certainly do not deny that.

Mr. Starr: He is giving the wrong impression to the country.

Mr. Speaker: Order, please. The hon. member for Ontario knows there is no question of privilege here. He is making a speech.

Mr. Nicholson: Mr. Speaker, the hon. member has had his opportunity to speak on this motion and he made it perfectly clear this morning what he did at the time, as did the hon. member for Winnipeg North (Mr. Orlikow). I think it is to the government's credit that they introduced the legislation and it went through; otherwise the disastrous situation that had been going on for six or seven weeks might have continued for an indefinite period. But the significant thing, the important thing, is that parliament did pass that legislation, and when the agreements were solemnly signed earlier this year both sides knew that these findings would automatically be part of the collective agreements that had been signed earlier in the year.

When copies of the report became available they were forwarded to both sides on the evening of October 31. The next day, at the opening of this house, copies in English and in French were filed in the house. That was November 1. It was not a case, as was suggested by the hon. member for Ontario this morning, where the Minister of Labour arbitrarily imposed any report on the parties. The parliament of Canada made it clear in July of last year that the findings of this commission would be part of the agreements—

Mr. Starr: No, the Liberal party did.

Mr. Nicholson: —which these people had signed some months after the legislation was passed. Rather than arbitrarily imposing this report on the parties, the minister did what the statute directed him to do and forthwith sent it to both parties. From November 1 to November 5 there were several meetings between spokesmen for the unions concerned, the shipping federation and their agents, the longshoring companies.

On Monday, November 6, following extended discussions the unions notified my representative in Montreal and made it public that they were accepting the findings of the Picard commission. At the same time the executive vice president of the shipping federation made a similar statement, which was later confirmed by the president. That was November 6. Both sides having accepted the findings, I think I had a right to assume that they meant what they said. But what happened?

In respect of the Picard report, as minister I do not want to be too complimentary but I must say that I have read the report and reread parts of it several times and I think the commissioner has done an outstanding job. I believe, as was said by one of the hon. members for Halifax earlier today, his findings are sound and constructive. He proposes a formula that should work well in Canadian ports in general, not just in the ports of Montreal, Trois-Rivières and Quebec. But instead of this report being implemented—and I think its language is reasonably clear—a slowdown began.

It should be pointed out for the benefit of those hon. members who have not read the report that in dealing with job security the commissioner said that those people who had worked from a certain date and had established certain rights of seniority were entitled to job security, but they were entitled to job security only in return for improved productivity. There are in the report some productivity charts which show a falling off in productivity notwithstanding technological change and new developments. The commissioner said he would therefore pick a date

and would relate his recommendation to productivity in the year 1964, without even taking advantage of the technological changes that had been introduced in the succeeding two and a half years.

The commission said that all workmen, who had reached that level of productivity and were affected by the report, would receive job security but on the other hand they had to do certain things. He said they had to rid themselves of certain objectionable practices, with which he dealt. He went on to outline what they should do. He said the employers must set up a job security fund, as has been done on the west coast where it has worked successfully for years.

Longshore gangs on the west coast, I might interject, have, I understand, been reduced to 12. Before the report was handed down Montreal longshore gangs consisted of 18 men plus a foreman, certain winchmen and others, totalling around 20 or 21 in a gang. As a result of the report: these gangs are to be reduced to 16 men plus a foreman. They have been 16 men plus a foreman in Saint John and Halifax for some years, I believe. They have been 14 and 15 in Hamilton and Toronto for some years and, as I say, there have been about 12 to a gang on the west coast for some years.

The commissioner made his recommendations. He also dealt with the effects of modernization and technological change. He dealt with the size of a sling and sling loads. He said that in future, in view of the changes that had taken place, these men would be able to work under existing conditions as long as proper safety precautions were taken and they acted reasonably. He told them they could put in whatever load was considered reasonable having regard to the particular kind of equipment being used.

A slowdown, not a strike, not a complete stoppage, developed within a few days. I had my officials in Montreal meet with both sides to see whether they could correct this situation. It was on the seventh day of the slowdown that I sent the telegram which I read earlier. Here I pause to refer to an editorial in a newspaper about which I generally say nice things because I have usually been favourably impressed by it. I refer to the Montreal *Gazette*. But there are times when they do get off on tangents, and certainly they did not carry out any research in this matter because the headline says "You Can't Arbitrate Arbitration."

Nothing is more absurb than that editorial, because what was said in the legislation was that the conclusions of the Picard report would become part of the collective agreements. Those collective agreements provide in no uncertain terms that if a dispute arises as to the application of the terms of the agreements, there may be arbitration proceedings. If a workman feels himself aggrieved because he considers the safety precautions are inadequate, he has the right to grieve and the right to arbitration. If he feels that other changes should be made, having regard to the combination of circumstances that exists, he has the right to grieve. But the significant fact is that work continues while this grievance is being arbitrated.

• (3:00 p.m.)

I am not stating an opinion on whether the unions are right or wrong. They said they did not object to the Picard report and said they are prepared to implement it, although they do not interpret it in the same way as the shipping federation does. I can assure the house, and I am sure the hon. member for Ontario will agree based on his experience, that in a great many cases matters in collective agreements which are binding on both sides need clarification. It might be argued that instead of using the general language, such as "consistent with safety and reasonableness", the commissioner might have gone further.

Another argument might also be put forward with regard to the availability of longshoremen. In his report commissioner Picard said that longshore gangs will be made up of 16 men plus a foreman but that if in any combination of circumstances management feel, in the interests of safety or otherwise, that the longshore gangs should be increased in size they shall be increased and an extra two or three men should be called up. In several instances more men were called up than the required 16 plus a foreman. In the opinion of the shipping federation or of the stevedoring companies there was a need for additional men. However, sometimes only 17 men showed up instead of 17 plus the additional men who were asked for, and when they were asked why they did not get the extra two or three men they said, "They are at home in bed; go and telephone them". That may or may not be contrary to the letter of the Picard report. I have my own opinion on that but I do not feel justified in stating it.

There might be a need for some clarification on one or both of these points. If the spirit of the report were complied with, one would think that at least during the initial period—and the agreement only has a few weeks to run—the extra men who were asked

for might be supplied. They might have had a reason for doing what they did because in most of these disputes there is something to be said for both sides. But in this particular case the employers contend that the language of the report is clear and that they want these men to be made available on the docks as the Picard report indicates should be the case, and if there is any gripe or grievance then reference should be made to the provisions of the agreement.

In reply to the question put to me by the hon. member for Ontario I should say that I received a long wire from the shipping federation within 18 or 20 hours following my wire, in which they said that they could not agree to arbitration because this is only another delaying tactic on the part of the longshoremen. I am not saying that there were delaying tactics on the part of the longshoremen, but it was the view of the shipping federation that to appoint an arbitrator at that time or even now would entail a series of lengthy hearings which might extend until long after freeze-up and no benefits whatever would be derived from the Picard report although the added wages that were agreed upon in June of 1966 are being paid.

Mr. Starr: Mr. Speaker, may I ask the minister—

Mr. Nicholson: Will the hon. member please resume his seat and wait to ask his questions until I finish my remarks.

Mr. Starr: No wonder the minister cannot settle arguments.

Mr. Nicholson: Mr. Speaker, may I say with deference that I was very patient with the hon. member. This is the third time he has risen to interrupt. I have attempted to answer his questions and when I am giving him the answers he should not interrupt me.

Mr. Starr: We will not ask any more questions. Let the minister carry on.

Mr. Nicholson: Rightly or wrongly the shipping federation said to me that it had been made clear to them that although the longshoremen had indicated they were accepting the Picard report they never intended to do so. This is what they said in their wire as justification for their action in not agreeing to arbitration, which they say would delay matters for weeks. I will read from it:

It is crystal clear from Mr. Gleason's testimony—

[Mr. Nicholson.]

Earlier they identified Mr. Gleason as the president of the International Longshoremen's Association with headquarters in Brooklyn, I believe.

—that his union never had the slightest intention of respecting the binding conclusions of the Picard report. The charges and complaints emanating from the I.L.A. in recent days are merely a smokescreen to divert attention from this vital fact. In the light of the following—

Then they quote certain testimony which was given by Mr. Gleason before the Picard commission in June of last year. They go on to say:

On June 1, 1967 Mr. Thomas Gleason of New York, international president of the I.L.A., appeared before the commission. Pages 90 to 93 of the transcript of his evidence that day are particularly revealing. Under examination by his own counsel—

By the counsel for the longshoremen's union.

—Phil Cutler, the following exchanges took place:

Q. You have told us you have participated in the collective bargaining relationships in the St. Lawrence river ports. You have been in here at various times. Would you tell the commission whether you feel you know your men, your membership of the St. Lawrence river ports?

A. Well I think I really do. I have come up here on three or four occasions when it was really rough even before I became the international president. I think this is one of the most militant groups that we have.

This was their own international president speaking.

They are not any more militant than we have in any other areas but in Canada they are a very militant group. I think that anybody who would try to force a decision on them once again would have trouble. I think they could not make them heed it. I am positively sure nobody would be able to control men if this kind of action would happen.

Q. What kind of action?

A. Well an arbitrary decision would be handed down and automatically say "from now on your gangs are 16 men" or "your gangs are 19 men" or whatever changes you would make. I believe you have a contract which is in effect here now until December 31, 1967, the end of this year. I don't think anybody could make this kind of a change during the life of this agreement without having a complete rebellion on their hands as far as the rank and file.

Q. This is your belief?

A. This is my belief.

Q. This is your belief as an individual and as president of the I.L.A.? Now I ask this of you Mr. Gleason. You have spoken of the steps that you had to undertake in the New York port area to have the men understand and accept this. You have said that without that it could not be undertaken in Montreal.

My question to you is this: as president of the International Longshoremen's Association are you prepared to undertake if necessary the same efforts here in Montreal to have the men accept a cut in the gang?

A. I would say no, I think that it would be foolish. Like I said, I think there is a contract in effect until December 31, 1967 and I would support the rank and file and the local unions in Canada, as the international president, to maintain those conditions and maintain that contract until its expiration.

Rightly or wrongly, the shipping federation say they are convinced that arbitration will do what Mr. Gleason predicted was going to happen, that is, it will protract the whole business until December 31.

• (3:10 p.m.)

In discussions with the shipping companies, I drew attention to the fact that the shipping season was nearly over and there was going to be a new agreement. I said, "Now, be realistic". They said, "Well, we had a shutdown in Montreal in the spring of 1966 which lasted seven weeks and if we go along with this situation during arbitration until the end of this particular shipping season in 1967 we are only going to be faced with a six or seven weeks slowdown or perhaps longer in Montreal next spring. We would rather have a showdown now when there are only two or three weeks to go". It is as simple as that. I still feel it would have been much better if an arbitrator had been appointed at that time, and I suggested it. I believe the language of the report is clear. However, neither side would agree to an arbitrator, although I learned this morning that the longshoremen have intimated they might now consider arbitration.

Another suggestion that I put forward was that, since there were only two or three points that may need clarification, rather than appoint an arbitrator perhaps Dr. Picard should be invited to come back and answer questions to clear up these points. As I said earlier, collective agreements often need clarification. Yesterday, in answer to a question, I indicated that the employers had said they would accept that proposal and would be guided by whatever Dr. Picard said. However, the longshoremen, in no uncertain terms, have said they will not have Dr. Picard. They said he was through and they would not take his clarification or interpretation.

A suggestion was made that we might appoint an administrator to run the hiring hall set-up in Montreal. I ask in all seriousness, what good would it do to appoint an administrator or a port controller if there are still three or four points on which, rightly or wrongly, each side takes such a determined stand, and particularly when the shipping federation says, why should we waste further time on this thing when we know it is going to be abortive? It is all very well to say that the Minister of Labour or his department should move in. I have not hesitated to move in where there is a prospect of some results, and I will be dealing with the remarks of the hon. member for Lapointe (Mr. Grégoire) in a few minutes.

I did not hesitate to move into this situation last year in May and again in June. I had no hesitation in moving in on the serious situation which was developing in connection with the operation of our railways last summer. I had no hesitation in moving in on the Vancouver situation when I brought about a settlement acting as mediator. This was one of the most difficult disputes that we have ever had in Canada. Fortunately I had good, sound advice and support in the course of those negotiations. This morning the hon. member for Lapointe said that the minister had accused him of being irresponsible. I repeat that he was irresponsible when he refused to allow an emergency debate to clear up a situation that had existed for several weeks in Vancouver when millions of dollars worth of oranges and perishable goods were being destroyed.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I rise on a question of privilege.

[*English*]

Mr. Speaker: The hon. member rises on a question of privilege. I suggest to hon. members that we are abusing the rules when we seek, on the basis of a question of privilege, to correct what we consider to be a misstatement by another hon. member who has the floor. This has never been and cannot be a question of privilege. Having said that, I will hear what the hon. member for Lapointe has to say.

[*Translation*]

Mr. Grégoire: Mr. Speaker, this is truly a question of privilege because it is based on the fact that the Minister of Labour (Mr. Nicholson) has ascribed to me intentions I did not have and statements I did not make.

Mr. Speaker, the minister says that I raised objections and delayed consideration

of the longshoremen's strike in British Columbia, last year, but that is not at all what I did. I simply asked that we consider at the same time the opening of the ports on the St. Lawrence—

Mr. Speaker: Order. That is not a question of privilege.

Mr. Grégoire: It most certainly is a question of privilege, Mr. Speaker.

[*English*]

Mr. Nicholson: I did not interrupt the hon. member when he spoke this morning. He was referring to irresponsibility. I repeat that he was irresponsible on that occasion. Millions of dollars worth of perishable goods were being lost and he refused unanimous consent to enable the introduction of legislation which would have put an end to that situation.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise again on a question of privilege. I have just told the minister that I never did that. Yet, he still imputes to me motives I never had or ascribes to me statements I never made, and I think that justifies me in raising the question of privilege. I told him that I did not delay that debate, that I simply asked that we consider at the same time the opening of the ports on the St. Lawrence. That is not the same thing.

[*English*]

Mr. Speaker: Order, please. The Minister of Labour.

Mr. McIntosh: May I ask the minister a question before he leaves this matter of perishable goods? As I mentioned before, I know very little about the dispute between management and labour. The minister just finished saying he never hesitated—

Mr. Byrne: Would you know a rotten apple when you saw it?

Mr. McIntosh: The minister has just said he never hesitated to move in when an innocent party was affected. I fail to see the difference between this dispute and the earlier dispute. Millions of dollars worth of perishable goods are being affected by this dispute, as the hon. member for Kamloops (Mr. Fulton) pointed out.

Mr. Speaker: Order, please. We are not in committee and the minister has the floor.

[Mr. Grégoire.]

Mr. McIntosh: Perhaps he would explain that point.

Mr. Nicholson: I would be glad to deal with it. I said I had no hesitation in moving in, and I did move in here. I have requested the persons involved in this dispute to give priority to perishable goods and commodities of value. I have been assured that priority has been given to the shipment of fruit and other perishable products. My colleague the Minister of Agriculture (Mr. Greene) will be dealing with that phase of the subject later today. On one occasion I made a special trip to Montreal to plead with them for action on perishable and special goods.

Mr. McIntosh: What about wheat?

Mr. Nicholson: I do not believe we face the same problem in connection with wheat because wheat is handled in bulk quantities and not by longshoremen to any great extent.

Mr. Speaker: Order. I have to bring to the attention of the house the fact that the minister's time has expired, unless he is given unanimous consent to continue.

Some hon. Members: Agreed.

Mr. Nicholson: Thank you, Mr. Speaker, and I thank the members of the house. The Minister of Agriculture will deal with the wheat aspect in greater detail. However, I do appreciate the hon. member having raised the question. The Minister of Agriculture will deal also with the comments made by the hon. member for Winnipeg North and the hon. member for Kamloops.

A suggestion was made that the Picard report is not acceptable to either side. This statement was made by the hon. member for Winnipeg North. I can only repeat that, according to public statements made by both sides, the Picard report is acceptable to them. It is a question of the interpretation of parts of the report and not the report itself. I am not saying that perhaps some of the actions of the companies have not been hasty because when tensions are high people do things for which they are sorry later. I am not holding a particular brief for one side or the other, but I am putting forward the reasons, in response to a question asked by the hon. member for Ontario why the shipping federation and the stevedoring companies would not agree to arbitration. I have had no direct answer to that, although the unions did say they would not agree to have Dr. Picard come forward and interpret the

report. Far from saying that the minister or the government are adverse to interfering, I say I am still prepared to appoint an arbitrator if both sides will agree.

• (3:20 p.m.)

If there were no collective agreement in force and they were still in the course of negotiating, then I could act under the statute. I could move in arbitrarily without permission. I could appoint a conciliator. In this case I might even send in a mediator, but in view of the lines that have been drawn and the points that need clarification, unless he had some authority to make binding arbitrary decisions—and I did only suggest that his authority extend to December 31 of this year—there would be very little hope of finding a solution to the problem. The only other course I can think of would be to ask parliament to deal with the matter by legislation and then appoint an administrator to run the docks at Montreal in the same way as the former government appointed an administrator to run the ferry boats on the west coast six or seven years ago.

They are the courses that are open, Mr. Speaker. However, as I said yesterday, there are today in effect binding agreements between both parties. Both parties have not only provided remedies for grievances, settling them by arbitration according to the agreements, but they also have the right to resort to the courts. The employers have said—and again I am not saying whether they are right or wrong—that they are only getting 50 per cent productivity, that they want a dollar's worth of work for a dollar's pay, not 50 cents worth of work. They have also said that if they do not get the right type of personnel they will not accept them. After all, as they point out, they are management and have responsibilities as such.

If this is wrong, Mr. Speaker, then resort could have been had to the courts two weeks ago. But no resort to the courts was had until I made the statement yesterday that these people must learn to do something for themselves instead of asking parliament to intervene every time a situation of this kind develops. It is about time people realized this. We do have a responsibility as a government, yes. Members of parliament also have a responsibility. Knowing what this stoppage is doing to the future livelihood of these people and the reputation of the port of Montreal, and despite the imposition of surcharges to take care of added costs, no resort was had to the courts until after my statement yesterday that they should rely on what they agreed upon themselves in solemn contract a few months ago.

Some questions were asked by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). He said that an interpretation of the Picard report was needed, but I think I have dealt with that as fully as I need.

There may be some points which require clarification. In my opinion the best way to deal with these questions, if the parties do not want to take the time involved in going to the courts and embarking upon expensive litigation, is to accept my offer to appoint an arbitrator. I therefore repeat that offer now. I will appoint either a port controller or an arbitrator if the parties give him some tools to work with and not tie his hands before he commences.

The hon. member for Kamloops suggested that the government or the Minister of Labour—one or the other—has a particular responsibility to see that the conclusions reached by the Picard report are carried out. I agree that perhaps we have a greater responsibility here. But again I go back to what I said in my opening remarks namely, that the parties entered into these agreements and signed them only a few months ago some time after Professor Picard went to work. They therefore knew he would be submitting a report and they would be bound by it.

Why should not the parties be encouraged to use the remedies provided in the agreements they signed and go to the courts or proceed to arbitration? I will do everything I can to help them, but I do not think they should ask me to get down on my knees any more than I have already. I feel that I have gone about as far as I can. I have pleaded with them. Some reason must be shown, and I think the pressure should come from the people whose shipments are involved, such as the exporters, or the longshoremen and the shipping companies. Let the parties use some common sense. If they wish I will very gladly move in and do what I can but they must co-operate.

There is one point that I do not think should go unanswered. The hon. member for Mégantic (Mr. Langlois) said there were no members on the government side from Montreal present during this debate. I should like to point out that throughout the whole debate my colleague the Minister of Industry (Mr.

Drury) was here, and he represents a Montreal riding. The Minister of Justice (Mr. Trudeau) was also here as well as my parliamentary secretary who is from Verdun, the hon. member for Beauharnois-Salaberry (Mr. Laniel), the hon. member for Nôtre-Dame-de-Grâce, and the Registrar General (Mr. Turner). Also my colleague the Minister of Manpower and Immigration (Mr. Marchand) was here. I have named about eight or nine members from Montreal who have been showing great interest in this debate, so I would suggest that instead of making careless statements of this kind some hon. members should be a little more reasonable and restrained in what they have to say about fellow members of the house.

I did indicate that after I had attempted to make it clear—whether or not I have succeeded remains to be seen—that the minister was not indifferent to the situation but on the contrary had been actively engaged in trying to find a solution in a reasonable and orderly way, not in a way which would encourage people to run to parliament every time they have a work stoppage, I would attempt to answer any questions hon. members wish to put, and I shall now be glad to do so.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I do not think any member could deny the seriousness of the problem that is involved here. Certainly the problem is serious from the point of view of the primary producers of the country, and this has already been pointed out.

I can assure you, Mr. Speaker, that many members have spoken to me privately about the problem faced by the farmers in the country as a result of the tie-up at Montreal. The hon. members for Vancouver-Burrard (Mr. Basford), Kootenay East (Mr. Byrne), Vancouver Quadra (Mr. Deachman), Coast-Capilano (Mr. Davis) and Victoria, B.C. (Mr. Groos) have been bringing this very serious problem to the attention not only of myself but the Minister of Labour (Mr. Nicholson) and the Minister of Indian Affairs and Northern Development (Mr. Laing). I can assure them the matter has had our immediate attention, and today's debate has served to emphasize the importance and gravity of the situation to our primary producers.

I am sure all members are anxious to assess the situation and that no one seeks to use this very grievous state of affairs for political advantage. I am sure we are all anxious to get at the facts of the matter and not engage in exaggeration or in putting the problem in a context that is not in accordance with the facts.

From the tenor of the debate in the house and from the representations I have received, there appear to be two areas in which the problem has serious consequences for the primary producers. I note that hon. members opposite feel that more should or could have been done by the Minister of Labour, but I think his presentation to the house this afternoon has clearly indicated he has done everything that is reasonably practicable or which in any way could be effective in this situation.

• (3:30 p.m.)

I was somewhat taken by the words of the hon. member for Moose Mountain (Mr. Southam) who indicated that if the methods of the hon. member for Ontario (Mr. Starr) when he was minister of labour were adopted, we would have a panacea that would bring a solution to all our problems. Of course, such advice ought to be considered but we must also remember that labour problems of any kind, particularly critical labour problems similar to the one we are discussing, are much easier to solve when there are long lines of unemployed and there is much unemployment. Then there is not that critical sense of urgency in labour problems that we now see in this country. Labour problems such as the one here are problems of a hot economy and of full employment.

Mr. Ricard: Not in Montreal, by any means.

Mr. Greene: I am sure that in the days when the hon. member for Ontario was the minister labour problems were much easier to solve by reason of the vast number of unemployed who were available to ease the pressure of labour problems.

I wish to touch on two areas of concern. First, I wish to deal with the question of wheat, which was drawn to my attention previously by the Minister of Veterans Affairs and by some speakers today. The situation with regard to wheat is as follows. The hon. member for Moose Mountain said that wheat sales this year were not as great as they had been up to this time last year.

An hon. Member: Moose Jaw-Lake Centre.

Mr. Greene: I beg your pardon. The hon. member for Moose Jaw-Lake Centre said that sales this year were not as great as up to this time last year, which undoubtedly has

somewhat alleviated the critical nature of the situation with respect to wheat. I was somewhat disturbed because he apparently felt that insufficient measures with respect to wheat sales were being taken.

An hon. Member: Hear, hear.

Mr. Greene: From my limited experience in this field, and I know my hon. friend has had more experience in this field than I have, the wheat board is an extremely efficient organization which is composed of dedicated and able men. They are doing an excellent job in selling wheat. I think that anyone who tries to kid the western farmer or anybody else that wheat can be sold merely by snapping your fingers, that wheat can be sold irrespective of price or production in other countries, will not get far. I do not think you can fool the farmer in the west or anywhere else with that nonsense.

Mr. Pascoe: Would the minister permit a question?

Mr. Greene: After I have finished, Mr. Speaker. I think the wheat board is doing everything possible that can reasonably be done to sell wheat. In my view, certainly, all the wheat it has been possible to move has been moved and moved effectively.

With regard to the problem in Montreal harbour and wheat sales which have been affected, certainly we should not minimize this situation. Where wheat cannot be moved for some period of time a difficult situation could arise. At the present time the elevators are almost full with adequate supplies of export wheat and domestic feed grains. There are 18.6 million bushels in store at the present time and this is about all that the elevators can take. So from the standpoint of bringing in wheat and of unloading in the port of Montreal, no situation of difficulty at the present time exists in respect of wheat. Of this wheat to which I have referred, about 11 million bushels are export grain, about 6 million bushels are for domestic feed and the rest is United States grain in transit.

An hon. Member: What about production?

Mr. Greene: One lake vessel is unloading grain this afternoon and six are waiting to be unloaded. Of these, one is at berth and the other five are at anchorage. Three ocean vessels are waiting to load grain which is for export. The situation now is that virtually no more grain can be unloaded until space is made available when ocean vessels begin loading.

The Canadian Livestock Feed Board advises that its estimate of winter requirements for feed grain in Montreal at the close of navigation would be from 10.5 to 11 million bushels. They anticipate that about 7 million bushels of this amount would be in elevators and about 3 to 4 million bushels on board winter storage vessels.

It is understood that the railways are continuing to offer agreed charges to feed merchants in Quebec for movement between Fort William and Quebec destinations. In many locations such rates are competitive with transportation by water and rail, particularly in the case of oats and barley. Should there be difficulty in getting sufficient supplies through the harbours board elevators it is very likely that more agreements will be made with the railways for these agreed charges. Certainly this would provide a way to protect the feed supply situation should it be impossible to provide sufficient grain in Montreal for the winter feeding season.

The worst feature in a situation like this is the harm that is done to the Canadian Wheat Board when overseas customers lose confidence in the board's ability to deliver. I think hon. members on the opposition side are well aware of how successful we have been with our sales of Canadian wheat. I concur wholeheartedly in the remarks that export sales of wheat have made a great contribution to the Canadian economy. Western farmers have made a great contribution to the economy of this country by their productivity.

Certainly the effectiveness of our wheat sales is in direct proportion to the quality of our wheat, which is unsurpassed, and to the reliability of wheat deliveries. With respect to reliability we have a proud record of performance in the past. I do not deny that there may be a great problem with regard to wheat though up to the present time the situation has been under control. No grievous harm has been done with respect to wheat or grain at the present time. As I indicated, the elevators are now full. Nevertheless we should not minimize the situation. If the strike should continue for such a time that the reliability of our deliveries pursuant to our commitments is in any way impaired, we would suffer grievous harm with respect to our international repute for dependability of delivery.

Labour Dispute at Montreal

With regard to the other major item which was referred to by members from British Columbia on both sides of the house and by hon. members from Quebec, the one area of concern is apples. The area generally, is that of fruit, though apples form the major area of the problem. I agree with the words of hon. members in respect of the great achievements of the fruit producing industry in British Columbia. Those in that industry have created a viable and efficient industry which, from the standpoint of production, marketing, sales techniques and knowledge, is without peer. That industry makes a great contribution to the Canadian economy.

Mr. Herridge: Hear, hear.

Mr. Greene: It behooves all members of the house, including the government, to make certain that the profitability and effectiveness of that industry are not impaired by external factors which would interfere with its efficient operation.

• (3:40 p.m.)

At the same time, the Quebec apple producers have a close concern with this area and it might be worthwhile to get the facts straight on the situation. I was very worried. I do not believe there is any advantage in overstating the position or stating it in a partisan sense. I believe all hon. members are seriously concerned about the gravity of this problem and its effects upon not only the primary producers and the parties directly concerned but on the Canadian economy generally. They would like to be told the facts in order that their judgment might be based on actual facts rather than on some impression which is not in accord with the facts.

In this connection the hon. member for Ontario spoke—and I was careful to note his exact words—of fruit and vegetables being allowed to rot. He spoke of hundreds of millions of dollars of spoilage. I believe those were the exact words he used. I wrote them down at the time.

Let us consider the situation with respect to apples. At this time last year some 125,000 bushels of apples had gone to the United Kingdom market. The total sales to the United Kingdom market are now some 6,000 bushels less than this—about 119,000 bushels. But in the province of Quebec, where apple production this year has been nearly double what it was last year, exports to the United Kingdom market at this time last year amounted to 38,000 bushels while at this time they amount to some 46,000 bushels. So already there has been a larger exportation from Quebec than had taken place by this time last year.

The hon. member for Kamloops made some constructive and valuable suggestions and I can assure him these have already been followed. Action has already been taken with respect to his suggestion that the Minister of Labour, the Minister of Manpower and Immigration and myself should work together on this problem in the interests of all concerned. But I believe the hon. member was under the impression that the majority of sales on the apple market take place prior to Christmas. According to the instructions I have, this is not the case. The majority of sales to the United Kingdom market take place after Christmas. Therefore in considering this question we should ask ourselves what are the probabilities with regard to future sales in this area.

I have cited these statistics with regard to sales. As to the question of availability and surplus at the present time and the statement that fruit and vegetables are being allowed to rot with hundreds of millions of dollars in spoilage, in the words used by the hon. member for Ontario, the situation is that total storage of apples in Canada has increased by only 3 per cent over last year. This, to my mind, does not suggest that hundreds of millions of dollars have been wasted because of spoilage.

What are the prospects for sales? First, the quantity available for export in the United States, which last year amounted to some 54 million bushels, is at the present time only 48.6 million bushels. So competition from the United States for the United Kingdom market will be that much less. By the same token this government, through the good offices of the Minister of Trade and Commerce and some humble help on my part through meetings with the minister of agriculture of Great Britain, was able this year to increase the quotas substantially with respect to apple sales to the United Kingdom. These two factors taken together portend well for likely sales of apples in the United Kingdom market during the current year.

Granted, none of us is clairvoyant enough to discern at the present time what effect devaluation will have. We are hopeful from the information we have that this year it will not impair our apple sales to the United Kingdom. Despite the difficult situation

which now prevails I believe we can be reasonably sanguine about the prospects for our primary producers in connection with sales of apples to the U.K. in the current year.

Again, because I am sure that this debate will be much more useful to all hon. members if it is based on facts rather than on wild and extravagant hyperbole, I believe we should consider the words of the hon. member for Ontario when he told us that fruits and vegetables were being allowed to rot with hundreds of millions of dollars in spoilage. Naturally we on this side are much concerned about this problem and have been, as the Minister of Labour indicated, all along. He has unquestionably worked night and day in a valiant attempt to do everything possible to alleviate the situation.

At the same time, in the interests of the primary producers of this country, it was my responsibility to keep abreast of the situation and do what I could to alleviate any economic ill effect upon our farmers. The hon. member for Ontario is, I am sure, concerned about the facts. He has a great respect for this house and at no time would he attempt, I know, to mislead hon. members for the purpose of partisan advantage. I was concerned, therefore, when he said that fruit and vegetables have been allowed to rot and spoke of "hundreds of millions of dollars spoilage".

I had a check made this morning to find out whether in fact there was any spoilage or whether anything was rotting on the docks in Montreal. I checked again at noon to make sure of my facts so that in assessing the gravity of the situation hon. members could base their conclusions upon them in determining what ought to be done to solve this problem. As I say, I checked again at noon to find out about these hundreds of millions of dollars lost in spoilage of these fruits and vegetables which were being allowed to rot. I took down the exact words contained in the report of my inspectors in Montreal who have been on this job from the beginning. Their report was that on the docks in Montreal at noon today there were 900 bags of onions and these were the only items that could spoil which were on the docks. These bags were frost-damaged last week prior to the start of the current difficulty and have been left on the docks because of that damage.

This is the actual situation in connection with "fruit and vegetables being allowed to rot" resulting in "hundreds of millions of dollars spoilage", in the words of the hon. member for Ontario, and on the basis of this information he wished this house to reach sober conclusions on the serious problem which besets primary producers, the parties concerned and the nation as a whole. I hope these few remarks as to the actual nature of the situation will be of some help to the house in reaching a conclusion with regard to this very serious problem.

• (3:50 p.m.)

Mr. McIntosh: Mr. Speaker, may I ask the Minister of Labour a question? Before he sat down he said he would entertain a few questions. I remained in my seat, in view of the fact that the Minister of Agriculture was about to speak, thinking that possibly he would answer some of our questions and it would not be necessary for me to ask them now. I do not mind telling the Minister of Labour that I listened with a very sympathetic ear to the problems that he has encountered in regard to this situation. However, I would suggest that—

Mr. Speaker: Order, please. The hon. member has already taken part in this debate. He can speak only once. He can ask a question if the minister will entertain one.

Mr. Nicholson: I said, Mr. Speaker, that I would gladly entertain any questions if by so doing I could throw any new light on the subject.

Mr. Johnston: Mr. Speaker, I wish to direct a question to the Minister of Agriculture. I had hoped that the minister would have spent less time on the hyperhole of the hon. member for Ontario and a little more time dealing with the problem in competitive markets caused by the surcharge. Will he join his efforts with those of the Minister of Labour (Mr. Nicholson) to negotiate the removal of that surcharge as soon as possible, pending the settlement of the dispute?

Mr. Greene: Mr. Speaker, it is in the area of private enterprise in which the surcharge falls. I understand it is a charge imposed on shippers by virtue of the increased costs of transportation incurred as a result of this situation. I quite agree with the representation made earlier by the hon. member for Okanagan-Revelstoke to the effect that it is inequitable that so often third parties, who have contributed in no way to the strike or slowdown, have to bear the brunt of the cost of the situation that is created. In that repect

I agree with him most wholeheartedly that everything possible should be done to have this surcharge removed as soon as possible, and the hon. member can rest assured that in any negotiations on the matter we will do everything we can to make possible the removal of the surcharge as soon as possible.

Mr. B. S. Mackasey (Verdun): Mr. Speaker, it has been suggested by various hon. members that the members from the Montreal area have been somewhat silent in this debate, but the minister has pointed out that there are 10 or 12 members from the Montreal area who have been following the debate with a great deal of attention. Of course, in view of the fact that this debate was granted at the request of the opposition it was only normal and natural that we should have permitted members of the opposition to use up as much time as they required, but frankly I am rather surprised that there has not been full participation on the part of members who have pointed out the tremendous urgency of the situation that exists at the moment.

The hon. member for Ontario (Mr. Starr), the former minister of labour, who is not in his seat at the moment, emphasized the fact that his party voted against Bill C-215 which was introduced and passed by the house a year or two ago. I think that is a rather sad commentary on the the former minister of labour because if ever there was a good piece of labour legislation introduced in the House of Commons it was Bill C-215. I do not want to spend too much time bringing back to memory the situation at that time, but hon. members will recall that the ports of Montreal, Three Rivers and Quebec had been tied up by a devastating strike which threatened not only Expo and its starting date but also the very economic life of the nation.

Respecting, as this party has always done, the rights of labour in labour disputes and realizing that the public usually conceives at first that labour is to blame, the Minister of Labour (Mr. Nicholson) bent over backwards to do nothing that could be interpreted by labour or by management as an infringement on their rights under the free collective bargaining process. But when it became apparent that a state of emergency did exist and that the economic life of the country was being affected, then and only then did the minister exert the type of pressure which under normal circumstances he would be reluctant to exert. This resulted in Bill C-215 which was passed by the house on division.

The only suggestion the former minister of labour had to offer was one which he makes on many occasions such as this, namely, bring all the parties together in Ottawa. I have heard this suggestion from the hon. member every time there has been labour dispute. However, I have looked at his record as minister of labour, and I may say it was an excellent one, and I found no hesitation on his part during the British Columbia ferry dispute to introduce legislation to bring that embarrassing strike to an end.

Nor did I find any reluctance on the part of the N.D.P. to bring the longshoremen's strike in Montreal to an end. As was pointed out by one of the members of the Conservative party today, a bill was introduced by the leader of the N.D.P., drafted by the hon. member for Skeena (Mr. Howard), which, if it had been adopted, would have removed from labour their democratic privilege to strike. Regardless of what followed the longshoremen would have been forced back to work. But, as has been pointed out, the N.D.P. had second thoughts about the bill and withdrew it. Since there were no concrete and valid suggestions offered by the opposition, Bill C-215 came into existence and was discussed quite adequately in the house. It was the first breakthrough in the history of Canadian labour that faced up to the fact that the future of labour and management is bound up in a common cause, particularly in light of the fact that we are an exporting nation.

Strikes are rapidly becoming obsolete as a bargaining weapon. If labour is to share in the fruits of the wealth of this nation it must understand that wage increases and productivity go hand in hand. We can no longer afford the luxury of rising costs and lower productivity. This feeling is growing among responsible labour people. They know there is a direct relationship between productivity and labour, and the Picard report attempts to deal with this subject matter.

Without going into all the technicalities of the clauses, Bill C-215 was a piece of legislation which impressed on the ship owners, the shipping federation, that the men in the port of Montreal were entitled to an increase in pay, and impressed on the labour union that if the ship owners were to be able to afford increased wages, and at the same time Montreal was to remain competitive with other ports in North America, then the port of Montreal would have to produce more. There

would have to be increased productivity and labour would have to cease fighting modern technological methods. This was basically the problem at that time.

In order to establish properly what was the real cause of friction on the waterfront and what could be done to bring about increased productivity, under the authority of Bill C-215 the Minister of Labour established what is now known as the Picard commission or, more formally, the inquiry commission on the St. Lawrence ports. I think its report is a very significant document and I have read it not once but several times, as I hope most hon. members have.

I agree with labour that there are ambiguous sections in the report, and if they are ambiguous to labour I presume they must be ambiguous to management as well. If they are ambiguous to both sides in the dispute, then I think we have a moral duty to clarify the ambiguity. Therefore there should be no reluctance on the part of the minister or the government to make sure that Mr. Picard comes back and clarifies these ambiguous sections of his report. I think that by so doing he will in no way be infringing upon the collective agreement that is in existence between labour and management. If Mr. Picard clarifies what he meant in this report, then it would be up to labour and management to take advantage of the processes within the labour laws and the agreements should they not agree with his interpretation of the problems and the solutions.

I am speaking more as a Montrealer than as an assistant to the Minister of Labour. Unless labour and management in that port face up to realities the port of Montreal will dwindle into a second class port. There are too many alternate methods of shipping today for a port such as Montreal to be in a constant state of turmoil. In a country such as Canada which depends on export markets we cannot afford the luxury of management and labour wrangling every few months about wage agreements and working conditions.

• (4:00 p.m.)

By the same token it is unfair of anyone to presume that the source of friction is entirely on the labour side. Those who have read the Picard report and are familiar with longshoring, or those who know anything about port facilities, will realize that the basic and essential problem that causes friction in the port of Montreal is job security. Job insecurity in the Montreal port is a greater threat to labour and management relations than it is in Vancouver because of climatic conditions.

Longshoremen might be considered as unskilled labour, and the men are drawn from the labouring or working class whose educational levels are perhaps quite low. With the realization that the port of Montreal is only open seven or eight months a year these people engaged in longshoring must face the fact that there is little or no employment for them in the winter months. Professor Picard recognized this fact, and one of the basic principles of his report relates to job security and minimum income spread over 52 weeks. This is a major breakthrough which was never touched upon by the opposition in the actions it took in respect of this problem in the port of Montreal.

Governments have for too long been satisfied simply to get the parties together on some form of wage agreement that would keep them together and create a little peace for the greater part of the two year period between collective agreements. They have never before got at the root or source of the problem. The Picard report does, and if there are areas of ambiguity they should be clarified. I think there is a moral obligation on Mr. Picard to come back from his holiday and clarify these ambiguities. That is my opinion, and it is not expressed by me as one on the side of labour any more than I am on the side of management. We cannot afford the luxury of keeping the port of Montreal closed when any day now the river will begin to freeze, with an ensuing economic impact on fruit growers, exporters and importers in this nation. This is a luxury we can no longer afford.

Mr. Alkenbrack: Does the hon. member not realize that the Minister of Agriculture (Mr. Greene) would not admit that a few minutes ago?

Mr. Mackasey: The Minister of Agriculture simply clarified a point, the point being that there are not tons of apples lying rotting on the wharves in the port of Montreal. This is the type of innuendo and false impression that unfortunately creeps into every debate involving labour. It is unfair to labour and in this case it is simply not true, as pointed out by the statistics presented by the Minister of Agriculture. I happen to think that if there is only one case of apples rotting in the port of Montreal that is one case too many.

The point I am trying to get at as a Montrealer is that the economy of the region, the province and the nation is such that we cannot afford the luxury of a work shutdown in the ports of Montreal, Vancouver, Three Rivers, Quebec or anywhere else in Canada. We must find ways and means to stabilize and continue peaceful negotiations between management and labour. The first practical, tangible and progressive step toward the eventual day when strikes will be obsolete and accepted as obsolete by both sides at the bargaining table is the Picard report, particularly when accepted by labour and management.

Labour must realize that Bill C-215 granted very substantial increases in wages. We have been criticized from all parts of the house and by private enterprise about the generosity of that settlement which has been erroneously interpreted as a forced settlement by the Prime Minister. That is not the case. An increase in the wages of employees on the waterfront of 35 per cent or 40 per cent would be insignificant to the ship owners provided the workers in turn would increase productivity in the port of Montreal, which is now far less than the productivity of other ports in Canada.

Labour must face up to these indisputable facts. If labour refuses to go along with the spirit of the Picard report because of a genuine misunderstanding of certain clauses, I suggest it would be better for them to carry on during the few remaining weeks until the port closes, under protest if necessary. Surely labour has a moral obligation to the port and the people using it who are not directly involved as management or labour in this dispute.

At the risk of being discourteous, Mr. Minister, I suggest that you should contact Mr. Picard and get him to cut his holiday short, come back and give us the benefit of his advice. That is my first suggestion.

Mr. Nicholson: The unions have said they will not agree to that course.

Mr. Mackasey: I do not care whether the unions accept it. Mr. Picard should make his report so clear that whether or not the unions accept it there would be no difference in the opinion of the parties as to what the report is all about. If the unions did not accept it then they would be failing the spirit of Bill C-215 and accepting a pay increase under false pretenses.

[Mr. Mackasey.]

There is ambiguity in the report. Let me point to the one portion regarding slings and the size of slings. Mr. Picard uses the word "reasonable". What is reasonable to the unions might be one thing but yet another to management. Management may feel that "reasonable" means all the weight that the slings and cranes can carry, but labour may suggest that this would reach the point where the operation is no longer safe or the point at which management was asking labour to triple productivity rather than double it. In any event I think Professor Picard has an obligation to come back and clarify these points. Once these points are clarified I think labour and management have an obligation to sit down together and thrash out their differences under the provisions of the bill.

Mr. Nicholson: Unfortunately they do not look at it that way or agree—

Mr. Mackasey: I do not intend to become involved in a dispute with my minister, and that is why I said I was speaking as a member from the Montreal area who believes we cannot afford the luxury of shutting down the port of Montreal. That is my first point. The second point is that if the shutdown is the result of a genuine misunderstanding of certain parts of the Picard report, then Mr. Picard should clarify its contents and make very clear to labour and management precisely what he meant by words such as "reasonable". After that is done management and labour should show good faith and, under the provisions of the Canada Labour (Standards) Code and the Industrial Relations and Disputes Investigation Act, should appeal to the minister's department for assistance in bringing their dispute to an end. If they do not they will wake up one day to the fact that the port of Montreal has become obsolete. Ship owners will find they have to go elsewhere to find facilities similar to those in Montreal, which I think are unmatched anywhere in the world.

The Acting Speaker (Mr. Tardif): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Tardif): Mr. Ricard, seconded by Mr. Starr, moves that the house do now adjourn. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Carried.

Some hon. Members: No.

The Acting Speaker (Mr. Tardif): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Tardif): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Tardif): In my opinion the nays have it. I declare the motion negatived.

[*Translation*]

SHIPPING

MONTREAL—INQUIRY AS TO FEDERAL INTERVENTION IN DISPUTE

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe Bagot): Mr. Speaker, I should like to direct a question to the hon. Minister of Labour.

In view of the discussion which has just ended and also in view of the situation which prevails in Montreal harbour, would the minister indicate to us what his policy will be and what measures he intends to take in order to correct that situation which is so harmful to the Canadian economy?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, one of the parties having taken steps that I intimated nearly two weeks ago they might have taken, and that matter being now before the courts, it is now partly *sub judice*. That is one difficulty. But I wouldl repeat what I said earlier today. I have indicated a willingness to appoint an arbitrator whom I am convinced could settle fairly quickly the points in dispute on an interim basis. I can appoint an arbitrator, however, only if the parties agree, because the collective agreements are now in effect. If they do not agree, my hands are tied. I certainly have been disposed, as I indicated on the 13th, to appoint an arbitrator—you might call him a port controller; I do not know what magic name you might give him—if the parties would only agree to such action on my part.

Mr. Ricard: A supplementary question, Mr. Speaker. Would the minister not consider that the suggestion made by his parliamentary secretary is one that merits very careful consideration, and will he not accept the suggestion of his parliamentary secretary and call back Mr. Picard so we may hope something will be done along that line?

Mr. Nicholson: I always give very careful consideration to suggestions which come from my parliamentary secretary. I have a very high opinion of him. But I would point out to hon. members—and those who have knowledge of the law will appreciate the significance of this—that once a judge has handed down his judgment and the judgment has been entered, the judge is what we refer to as *functus officio*. In this case Commissioner Picard is through, he is *functus officio*. I have been, and still am, perfectly willing to ask Professor Picard to do this, and would have been in touch with him before this if the parties had indicated a willingness or a desire to have him clarify the situation; but the unions have made it perfectly clear that they do not want Professor Picard to clarify the report. They have said so. They have said he is through. It puts the minister in a rather difficult position when, in law, he is through and one side has pointed out that he has no status at this time and they don't want further action by him.

Mr. Ricard: A further supplementary question, Mr. Speaker. Do we now have to take for granted that there is nothing the minister can do, and the dispute has to settle itself?

Mr. Speaker: Order, please. I suggest to the minister that the hon. member is now asking an argumentative question which is a repitition of the debate we have had since eleven o'clock this morning.

[*Later:*]

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I should like to direct my question to the Minister of Labour. Are the unions involved Canadian unions, or are they affiliates of American unions?

Mr. Nicholson: They are, of course, Canadian locals—there are some eight of them involved—but they are affiliates of a larger union, the International Longshoremen's Association.

Mr. McCutcheon: That being the case, is there any evidence of action here that might eventually direct the movement of exports to, say, certain American ports where the same union would be handling the products?

Mr. Nicholson: I do not profess to be an expert on transportation, Mr. Speaker, but if they do not go from the ports of Montreal,

Trois-Rivières and Quebec they would have to go from other ports. I would hope that some of the goods might go from Halifax or Saint John. But undoubtedly some exports that would normally go from Montreal over the next three or four weeks might go from American ports.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise on a point of order. I know the adjournment debate ended awfully quickly, but I wonder whether anyone on the government side could tell us if the Acting Prime Minister will be in the house to answer questions, or will another minister be designated to answer questions on behalf of the Prime Minister?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the Acting Prime Minister has unfortunately been called away and will not be here for the next couple of hours.

INDUSTRY

COPPER—PRICE INCREASE BY NORANDA COMPANY

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I am in a bit of a quandary, too, Mr. Speaker. I have a question for the Registrar General. I will ask it, anyway, because one of the other ministers may be able to answer it, and if not it will appear in *Hansard*. In view of the increase in the price of copper announced by Noranda and now followed by the Hudson's Bay Mining Company, will the minister take action to reconvene immediately the committee on consumer prices so that the effect of these price increases on the general level of prices throughout the economy may be investigated?

Hon. C. M. Drury (Minister of Industry): I will take the question as notice, Mr. Speaker.

[*Translation*]

HOUSING

MONTREAL—HELP FOR FAMILIES LACKING ACCOMMODATION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to ask the Minister of Labour if he has been approached in any way by the authorities of the city of Montreal for some assistance by the C.M.H.C. in order to assist 150 families to be evicted by the Montreal Catholic School Board?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): I will have to take that queston as notice, Mr. Speaker. I have no knowledge of any such request, but will be glad to look into it.

EXTERNAL AFFAIRS

CYPRUS—ACCEPTANCE OF DR. MANLIO BROSIO AS MEDIATOR

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Acting Secretary of State for External Affairs, whom I presume is the minister directly across from me. It is in reference to the very welcome news of the acceptance of Dr. Manlio Brosio as mediator in Cyprus. Does Dr. Brosio take on this important assignment as long range mediator to settle, hopefully, the dispute? Second, is he also working under the aegis and the good will of the Secretary General of the United Nations?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have not seen the terms of reference of Dr. Brosio and therefore cannot answer the first part of the question. I do know he will be working in close co-operation with the Secretary General.

POWER

COLUMBIA RIVER—DUNCAN DAM—PAYMENTS TO BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address a question to the deputy acting prime minister—

Some hon. Members: Oh, oh.

Mr. Herride: —or the appropriate minister. Has the deputy acting prime minister or the appropriate minister anything to inform the house about the $12 million owed to the government of British Columbia with respect to the Duncan dam, and the interest related thereto?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, payment

of this sum of money was made a day or two ago. Arrangements are now being made for this money to be transferred to the government of British Columbia. Negotiations are still going on with respect to the interest on that money.

Mr. Herridge: Mr. Speaker, I have a supplementary question. Can the minister inform the house of the date on which that sum of money was paid, and what was the rate of exchange?

Mr. Speaker: Order, please. I suggest to the hon. member that his question is not in order.

AGRICULTURE

MILK—ALLEGED HARDSHIP THROUGH MINIMUM QUOTAS

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, my question is for the Minister of Agriculture. Has the minister received representations from milk producers pointing out the fact that the government's dairy policy with regard to minimum quotas in creating grave economic hardship, especially among the smaller producers?

Mr. Speaker: Order, please. It is not sufficient to ask whether certain representations have been received by the minister, to make the question urgent.

Mr. Alkenbrack: Mr. Speaker, I wish to discuss this matter at the next ten o'clock adjournment.

SHIPPING

MONTREAL—LOSSES TO AGRICULTURE FROM LABOUR DISPUTE

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to put a question to the Minister of Agriculture and ask him whether he could give the house any information with regard to the cost to agriculture generally, of the delay in shipments as a result of the labour problem in Montreal, either the direct costs such as surcharges for prolonged refrigeration of perishable goods or costs in terms of lost contracts.

Hon. J. J. Greene (Minister of Agriculture): To the best of my knowledge, there is no loss by reason of lost contracts as yet although, as I indicated earlier, if the strike continues for any length of time this would be a very grave danger and one which could do long term injury to the primary producers of this country. With regard to direct costs, such as added storage charges and additional transportation costs, etc., I do not have this information at present and I think it would be pretty hard to calculate the costs until the termination of the dispute.

Mr. MacLean (Queens): I have a supplementary question, Mr. Speaker. Could the minister make some effort to at least get an estimate of the amount of perishable goods that are now in transit, and the delivery of which is being delayed on account of the strike?

Mr. Speaker: I suggest to the hon. member that this question was considered by the minister earlier today.

EXTERNAL AFFAIRS

CYPRUS—POSSIBLE WITHDRAWAL OF CANADIAN TROOPS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a very important and urgent question which I had intended to put to the Acting Prime Minister, but perhaps the Minister of Industry and Defence Production might answer it. It relates to the status of the Canadian forces in Cyprus. Is it the view of the government that this force can be required to withdraw on the request of either Turkey or Greece?

Hon. C. M. Drury (Minister of Defence Production): Mr. Speaker, I do not know of any specific provision for the withdrawal of the force on the request of either country. The hon. member will recall that this Canadian contingent forms part of the UN forces, and therefore withdrawal will be conditional on arrangements between Turkey, Greece and the United Nations.

Mr. Aiken: I have a supplementary question, Mr. Speaker. Is our force in Cyprus in the same or in a different position from that of our force in the Middle East, which was recently asked by Egypt to withdraw?

Mr. Drury: I think the conditions are somewhat different.

Inquiries of the Ministry

HOUSING

INQUIRY AS TO INVITATIONS AND AGENDA FOR CONFERENCE

On the orders of the day:

Mr. John Gilbert (Broadview): My question is directed to the Minister of Labour, who is in charge of housing. Has the government finalized the agenda of the forthcoming federal-provincial housing conference, and if so, would the minister make it public?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I hope that at the conclusion of orders of the day we will revert to motions. If so I will then table the proposed agenda as well as the background working papers of the conference.

Mr. Gilbert: I have a supplementary question, Mr. Speaker. Is it the intention of the government to permit members of the House of Commons to attend the conference either as observers or as delegates?

Mr. Nicholson: I can only repeat the words of the Prime Minister the other day, when he said that this is a federal-provincial conference and the attendance of members of parliament or others as observers would depend upon the joint wishes of both levels of government. In the letter that is being written today by the Acting Prime Minister to the provincial premiers the suggestion is being made that at least the opening sessions of the conference, and perhaps some other meetings, might be open to members of this house.

AGRICULTURE

EFFECT OF CURRENCY DEVALUATION ON EXPORTS TO U.K.

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, if I may I should like to pose a question to the Minister of Agriculture. It is based on an undertaking made by the Prime Minister yesterday to assess and report to the house on the effect of the devaluation of the pound on imports to the United Kingdom of Canadian agricultural products. Will the minister endeavour to canvass the opinion of the British purchasers, especially those of tobacco, cheese and apples, as well as obtain the evaluation of our own Department of Agriculture?

Hon. J. J. Greene (Minister of Agriculture): As I indicated yesterday to the Leader of the Opposition (Mr. Stanfield), my department is taking every possible step to garner all the information available at both ends with respect to the likely effect of the devaluation of the pound, but this is a very dynamic situation. What will happen to the value of the pound in the United Kingdom is certainly not clear at the present time, and therefore all we can do is to try to keep the situation in hand, to collect all the necessary information available and to pass it on to producers, processors and exporters, and this we intend to do.

Mr. Danforth: I have a supplementary question, Mr. Speaker. May I ask the minister whether it is his intention also to make a statement on motions dealing in some detail with the estimated effect on the shipment to the British market of such important commodities as I have outlined.

Mr. Greene: I had not intended to do so because I do not know of what benefit it would be, as I am sure everyone concerned in the industry is watching the situation. I do not think any advice from me would necessarily be more effective than that which the exporters themselves would have. But I will be glad to consider the suggestion of the hon. member, and if sufficient information which might not be readily available to the public is made available to me, so that a statement from me might be of use to producers, processors or exporters, then I will certainly consider making such a statement.

WOMEN

INQUIRY CONCERNING APPOINTMENT OF REPLACEMENT TO ROYAL COMMISSION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the fact that one of the members of the royal commission on the status of women has tendered his resignation, is it the intention of the government to appoint a member to replace him?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, this particular question is still under consideration.

AGRICULTURE

SUGAR BEETS—REQUEST FOR STATEMENT ON SUBSIDY

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I should like to direct a

question to the Minister of Agriculture. When will he be in a position to make an announcement with regard to a subsidy on the 1966 crop of sugarbeets?

Hon. J. J. Greene (Minister of Agriculture): I do not want to be too positive on this matter because these things sometimes have a way of getting side-tracked, but I hope to be able to make a statement next week.

[*Translation*]

FINANCE

POSSIBLE APPLICATION OF CEILINGS ON PRICES AND SALARIES

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, may I put a question to the hon. Member of the Administration?

In view of the fact that, to ensure the success of his campaign for restrictions, the Minister of Finance intends to consult a group of experts, can the minister tell us whether, as a result of their recommendations, a ceiling will be put on prices or salaries?

Mr. Speaker: I believe the question is much too general in nature to be put at this time.

[*English*]

CONSUMER AFFAIRS

MANDARIN ORANGES—POSSIBLE APPEAL OF JUDGMENT IN PROSECUTION

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is directed to the Registrar General in his capacity as minister in charge of consumer affairs. Is it the intention of his department to appeal the judgment imposing fines on the ten companies in British Columbia convicted of conspiring to unduly lessen competition in the orange trade?

Hon. John N. Turner (Registrar General): Mr. Speaker, I take it the hon. member is referring to the mandarin orange case. If so, we are awaiting advice from counsel, but it would be my feeling that the amount of the fines might be appealed.

AGRICULTURE

TURKEYS—RESTRICTIONS ON IMPORTS FROM THE UNITED STATES

On the orders of the day:

Mr. H. W. Danforth (Kent (Ont.)): I should like to direct another question to the Minister of Agriculture. It is based upon representations I am receiving with regard to the turkey industry. I know the government is quite aware of the problem with which turkey producers has been faced recently. I wonder if it has made a final decision about the effect of the tariff imposed on turkeys from the United States or whether the government will implement a quota system as well?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the value for duty provision implemented in order to protect the Canadian turkey industry against unfair competition from United States turkeys being delivered in Canada at less than their cost of production has not been in effect long enough to assess whether or not it is effective, and whether it will make the game fair and equitable. If this measure is not sufficient, in giving protection to the Canadian producer, to make the game equitable, then we will consider further action. At the moment, we do not have enough information to make such a decision.

FINANCE

ALLEGED OVERCHARGING BY BANKS ON EXCHANGE OF UNITED STATES CURRENCY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Acting Minister of Finance. Is it the intention of the Minister of Finance to report to the house the results of his investigation with regard to the banks that overcharged on exchange between Canada and the United States, and who thereby violated the international monetary fund agreement?

[*Translation*]

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, I will bring the question to the attention of the Minister of Finance and if he deems it necessary, I am sure he will report to the house.

[*English*]

ADMINISTRATION OF JUSTICE

PAROLE—INQUIRY AS TO INTRODUCTION OF AMENDMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Solicitor General. Did I understand him correctly last night that legislation to amend the Parole Act will be placed before

parliament at this session? If so, will this be done at an early date?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, certain proposed amendments to the Parole Act are included in the omnibus Criminal Code amending bill which I hope will be on the order paper very shortly.

FINANCE

ALLEGED ACTIONS OF FRANCE IN GOLD MARKET—INQUIRY AS TO GOVERNMENT ACTION

On the orders of the day:

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie): I have a question for the Minister of Energy, Mines and Resources. In the light of the attempt by the government of France to attack the United States dollar and indirectly the Canadian dollar on the gold market, with a view to forcing devaluation of these currencies, would the Canadian government consider any retaliatory moves, including sequestration of any natural resources owned by the French government or controlled by a French company in Canada?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): It is well known that I only administer the Emergency Gold Mining Assistance Act. The hon. member's question relates to monetary policy. I will gladly bring it to the attention of the Minister of Finance.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Member of the Administration who is, I think, the assistant to the Minister of Finance.

Is there really evidence that this run on gold is caused by the actions of France and that France seeks to reduce the price of gold? Could the minister tell us whether there is evidence that France has done this?

Mr. Speaker: Order, please. This is an argument. I do not think the question is in order.

Mr. Grégoire: Mr. Speaker, on a point of order. It is not only an argument—

[Mr. Knowles.]

Mr. Speaker: Order. It might be easier to accept the question. Is there a minister willing to answer the question of the hon. member for Lapointe?

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, I do not think that is the situation. Of course, the international monetary question is very complex and often the value of gold may vary according to the demand on the market but, in my opinion, it would not be because of pressures by any country.

CANADIAN NATIONAL RAILWAYS

LAY-OFF OF RAILWAY EMPLOYEES

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I want to take advantage of the question period to put a question to the Minister of Labour.

Could he tell us whether his department is taking remedial action with regard to the increasing layoffs by the C.N.R., and also whether it is true that this crown corporation is considering the layoff of 3,000 workers before next January 1?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this is a question which, I believe, should have been directed to either the Minister of Transport or the Minister of Manpower and Immigration. I shall be glad to pass it along.

HOUSING

TABLING OF DOCUMENTS RELATED TO FEDERAL-PROVINCIAL CONFERENCE

Hon. J. R. Nicholson (Minister of Labour): I know you have called orders of the day, Mr. Speaker, but I am wondering if the house would give unanimous consent to allow me to return to motions so I can table the documents that I mentioned earlier?

Mr. Speaker: Is it the pleasure of the house that we revert to motions to allow the Minister of Labour to table these documents?

Some hon. Members: Agreed.

Mr. Nicholson: Mr. Speaker, I thank hon. members for agreeing to revert to motions so as to permit me to do this. I now wish to table two copies in English and two copies in French of the suggested or proposed agenda

for the federal-provincial conference on housing and related urban problems, as well as rural problems I might say, to be held on December 11 and also the background papers that were sent out today to the premiers of the ten provinces.

Hon. R. A. Bell (Carleton): May I ask the minister if these background papers will be made available to members of the house?

Mr. Nicholson: Yes, Mr. Speaker, on Monday I hope.

INDUSTRIAL DEVELOPMENT BANK

AMENDMENTS INCREASING CAPITAL AND BORROWING AUTHORITY, ETC.

Hon. Jean Chrétien (for the Minister of Finance) moved the third reading of Bill No. C-164, to amend the Industrial Development Bank Act.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I want to say a very few words on the third reading of this bill. During the debate on second reading on November 13, there was a full and comprehensive discussion. At that time there was a censensus that the procedures of the Industrial Development Bank in processing loan applications were agonizing, slow, frustrating, security conscious and bureaucratic. The debate that took place was quoted in the press in most centres, mostly in the business sections of the newspapers. Following this, I received a number of communications from people because my name had been mentioned.

In view of the fact there has been an interval of a couple of weeks, I point out that the communications that were received were in support of what was said by most members during the second reading debate. One letter I received was from a professional engineer. It reads in part:

> Having dealt with them on several occasions, I try as much as possible to steer people clear of their bureaucratic, laissez faire attitudes and their lack of recognition of the sense of urgency that would cause people to contact them in the first place. One negotiation in which I was involved lasted over a year.
>
> Surely they are intended to provide a better service and were not proposed as a money making organization to start with.

Now, I should think I received half a dozen letters of this type from all across Canada; one from British Columbia, one from the east and two or three from Ontario and Quebec. These letters were concerned with, first, the requirement to submit new applications during the course of negotiation of a loan; excessive requirements for security and collateral; long delays during legal investigations following tentative approval, and the fact the Industrial Development Bank seemed to be more concerned with paper work than with the viability of the enterprise. Most of these applications come from persons who urgently require assistance. A delay of six months or more results in some industries foundering before they are even granted the loan.

• (4:40 p.m.)

I rose, Mr. Speaker, merely to urge the minister to ask the Industrial Development Bank officials to look into this procedure and to see what can be done to improve it and prevent delay. The general operations are not criticized so much as the procedures that are involved.

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

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed, from Tuesday, September 26, consideration in committee of Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for a period from the 1st day of January, 1967 to the 30th day of June, 1968 and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company—Mr. Chrétien (for the Minister of Finance)—Mr. Richard in the chair.

The Acting Chairman (Mr. Richard): When the committee rose on Tuesday, September 26, clause 3 of the bill was under consideration.

Mr. Bell (Saint John-Albert): Mr. Chairman, there is a pretty good mood in the house, but I should like to ask someone why we deviated from the order of business that was suggested last night. We are not prepared to pass the C.N.R. bill, I might say, before five o'clock. I understood the Post Office Act was next.

Mr. Chrétien: We changed the order at the request of the house leader of the opposition party. First of all we were going to discuss the post office matter, but at the request, I believe, of the hon. member for Ontario we

changed the order. That is why we are now dealing with this bill.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I was not at all aware that the order of the business of the house had been changed for today. You will recall that the last time we considered this bill concerning capital expenditures of the Canadian National Railways, I had made objections on clause 3, and I was ready to present a motion.

Now I am taken completely unawares; I did not know that we would be considering this bill today. All my documents on that matter are in my office and if I leave the house to get them and all clauses are agreed to rapidly, I will have no other opportunity to discuss this.

That is why I would ask the Minister without Portfolio (Mr. Chrétien) to realize the situation in which I now find myself here, without notes of any kind, without the figures I had taken. Moreover, the last time we debated section 3, the Minister of National Revenue (Mr. Benson) had the floor. I wonder whether the Minister without Portfolio was here at that time.

So I must admit that I am utterly taken by surprise on account of this change. Had I been given only five or ten minutes to go and get my notes, I would have accepted, but I was not given any notice at all.

Mr. Chrétien: Mr. Speaker, I wish to point out to the hon. member for Lapointe (Mr. Grégoire) that he is being unfair because yesterday, before the adjournment motion, the government house leader announced the business of the house and the opposition asked that this bill be given priority for a reason unknown to us. All that is reported in *Hansard,* and if the hon. member for Lapointe is not aware of it, it is because he does not follow the debates of the house.

As far as the other remark is concerned, it is true that the bill was introduced last September by the Minister of National Revenue (Mr. Benson). I was to sponsor it myself, but at that time I was attending the conference of the International Monetary Fund in Rio and that is why the Minister of National Revenue acted in my stead.

Mr. Grégoire: The hon. minister cannot say that I am not keeping myself well informed. I had here the list that had been given yesterday and, naturally, when I noticed that the business was adjourned to allow for the discussion of our problems and that there still was the bill on the Post Office Act, I could not know that legislation concerning the Canadian National Railways would be presented today.

I would ask the Minister without Portfolio —oh, I know now, it is written here, if the Postmaster General (Mr. Côté) is kind enough to show me where it is—it is the second item: expenses of the C.N.R.

[*English*]

Mr. Knowles: Mr. Chairman, may I suggest to the hon. member for Lapointe and to the hon. member for Saint John-Albert that they read *Hansard* a little further. After the house leader had suggested, as reported at the bottom of page 4644 of *Hansard* for last night, that the order would be the Post Office Act, then the Industrial Development Bank and then the C.N.R. bill plus some other matters, the hon. member for Ontario said this:

> —may I suggest to the government house leader that instead of taking the first item that he listed, having to do with the post office, it would be more expeditious to consider the second and third items first, and then move into the post office resolution?

To which the government house leader replied:

> Yes, Mr. Speaker, this is agreeable to us. I gather that hon. members feel they can deal with these items relatively quickly. We will agree to that, and will then continue with the post office resolution.

So, Mr. Chairman, it seems quite clear that the arrangement last night was that we take the Industrial Development Bank bill, then the C.N.R. bill, and then the Post Office Act. If the hon. member for Lapointe needs to go to his office to get his file, some of us can keep talking on the point of order until he gets back.

Mr. Pennell: Mr. Chairman, I believe the hon. member for Winnipeg North Centre has stated the situation correctly. However, if it would help the house the government is prepared to go to the Emergency Gold Mining Assistance Act, if hon. members would give unanimous consent.

Mr. Bell (Saint John-Albert): Mr. Chairman, I apologize for the mistake I made and which has been pointed out. Although there are not too many members of my party present I think there would be agreement to go ahead with the suggestion made by the Solicitor General. Probably we could make very good progress with that item.

[*Translation*]

Mr. Laprise: Mr. Chairman, in view of the rather peculiar circumstances, I think the house will be a little lost as to the consideration of any bill that might be introduced today. In view of the late hour, I wonder if we could not call it five o'clock, proceed to the consideration of the private members business and then adjourn at 5.50.

Mr. Grégoire: Agreed.

[*English*]

The Acting Chairman (Mr. Richard): Is the committee agreeable to the suggestion made by the hon. member for Chapleau?

Mr. Pennell: Let me try the post office resolution, Mr. Chairman. Is the committee prepared to accept this?

Mr. Knowles: No, we do not like that one.

[*Translation*]

Mr. Pepin: Mr. Chairman, may I make an intervention in favour of my bill?

Mr. Chairman, I think we are all ready to pass this bill which is intended to extend the assistance to gold mines for a certain period of time. Indeed, I believe that the members in all sections of the house are ready to pass this bill. Therefore, I ask you, Mr. Chairman, to put the question to the house.

[*English*]

The Acting Chairman (Mr. Richard): Shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

EMERGENCY GOLD MINING ASSISTANCE ACT

PROVISION OF EXTENSION OF APPLICATION

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources) moved the second reading of Bill No. C-155, to amend the Emergency Gold Mining Assistance Act.

The Acting Speaker (Mr. Richard): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Mr. Knowles: Is the minister not making a statement?

Mr. Barnett: Should not the minister tell us why he thinks we should all be in favour of this bill?

• (4:50 p.m.)

[*Translation*]

Mr. Pepin: Mr. Speaker, I am pleased to report that all hon. members have voted in favour of the renewal of subsidies to gold mining at the resolution stage. Some made at the time comments which were sometimes constructive and sometimes not quite right, but I think all felt the urgent need of extending the application of this act as soon as possible, since it was due to expire at the end of December.

[*English*]

So, with the agreement of the house, I shall confine my remarks to a summary of the reasons for seeking the authority of parliament to extend the application of the act.

Mr. Knowles: The minister has seven minutes.

Mr. Pepin: I wish to emphasize, again, that the mining of gold continues to be an important element in the mining industry of Canada. It is still fifth on our list with respect to revenue. It is true that its size and importance are declinning, because of circumstances beyond its control, and a change in these circumstances, such as an increase in the price of gold or a decrease in costs, does not appear eminent. I know that there has been discussion on that subject. One thing is sure; it is beyond the capacity of the Minister of Energy, Mines and Resources to influence the price of gold at this time. As far as I can see, the operation of most of our gold mines in contingent on a continuation of the assistance which is provided under the act. Of course, if prices should change, that situation will affect the implementation of the Emergency Gold Mining Assistance Act.

May I repeat that our concern, at this time, lies with the communities that are dependent on gold mining, and with the economic and social dislocation which would occur in them if most of the gold mines were forced to close through a withdrawal of assistance. It is evident that most members share the minister's concern and I suggest, therefore, that it may be possible to obtain agreement to pass Bill C-155 through the remaining stages at this sitting, and thus ensure continued support of the gold mining communities by gold mining operations.

Emergency Gold Mining Assistance Act

Mr. T. S. Barnett (Comox-Alberni): May I ask a question? As I listened to the minister it appeared to me that his notes had been made before recent developments had come about. He is trying to suggest that there is another area of government responsibility. I wonder if he could tell the house something about the actual operation of the act in relation to what appears to be an entirely new and different market situation in the world's gold markets. Can he say under what circumstances the condition of the world gold markets may alter the operation of the act, which is facetiously called the Emergency Gold Mining Assistance Act—

The Acting Speaker (Mr. Richard): Order, please. I must advise the hon. member that his type of question ought to be reserved for the committee of the whole.

Mr. G. H. Aiken (Parry Sound-Muskoka): I wish to make a few remarks on this bill, Mr. Speaker, in the hope that we can pass it. The matter was extensively debated at the resolution stage and I do not intend to repeat what was said then. The official opposition does not oppose extending the Emergency Gold Mining Assistance Act for another three years. We regret, however, that the government has not devised a more fundamental plan to deal with the difficult state of affairs in gold mining communities, which arises because so many producing mines have been closed down.

Having expressed that regret, having previously put forward a number of suggestions and having heard other hon. members making suggestions to the minister which, as he said, had been considered and rejected, it seems apparent that at this time we cannot go further. We want passage of this bill, which extends the time for assistance, but we hope that the government will not feel it has nothing more to do in this area for another three years. They have assumed responsibility for the life of these gold mining communities, and we hope that they will do more in the next three years than merely consider renewing again the emergency legislation.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I did not participate in the debate on the resolution stage of this bill, though in years past when the matter has been before the house I have talked on it. I agree with the remarks which have been made; the title of this act long ago ought to have been changed to the gold mining assistance act, and the word "emergency" ought to have been dropped. If necessary, some sort of renewal clause could have been included.

[Mr. Pepin.]

We all agree that the gold mining industry of the country faces an emergency. Originally, as I understand, the legislation was enacted to stave off the disaster which threatened to engulf the industry after the second world war. At that time the gold mines were not able to operate and make a profit, with gold being sold at $35 an ounce. The Canadian government sold gold to the United States under a complicated formula, and emergency gold mining legislation was applied to keep the mines operating. The government, I think, has a responsibility to pay money under this legislation and to look at the world situation generally.

The conference in Rio de Janeiro shows us that changes in the International Monetary Fund are taking place. Really, the United States is behind the fund. Its existence is owing to the willingness of the United States government to do a favour to gold producers of the world. Because the government of the United States was willing to support the price of gold at $35 an ounce it was possible for the International Monetary Fund to use gold as an international currency. Gold has served its purpose. Recent events shows that this is so. France, because of a senile, tired old man who dislikes Anglo-Saxons in general and President Johnson in particular, decided to try to make the International Monetary Fund go broke. It was evident that the International Monetary Fund, which operated solely on the basis of gold backing, could not meet the threat. Much money had to be pumped into the fund to prevent the total depletion of its gold reserve.

Some at the conference in Rio de Janeiro tried, because of pressure from the United States, to have the United States dollar substituted for gold as the unit of international currency. I do not think that the world is prepared to accept the United States dollar as the unit of international currency. The conference decided that gold still has a role to play—a role which does not seem to be well understood by anyone, let alone by those who are buying gold at a panic rate in the United States. Since gold is being traded at the rate of 80 tons a day and since it is being bought by United States citizens and stashed away in Swiss banks, we may take it that the United States public regards gold as the stable medium of international currency, as opposed to the United States dollar.

Devaluation in Britain has highlighted the change in the thinking of many financiers in terms of gold. Canada is a country which exercises a great deal of influence throughout the world currency market and it seems to me that as a major gold producer we should consider playing a far more active role in this field.

• (5:00 p.m.)

The Acting Speaker (Mr. Richard): It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper.

Mr. Pepin: Perhaps we could continue this debate if there were a chance of concluding it within the next few minutes.

Mr. Peters: I do not have very much more to say.

The Acting Speaker (Mr. Richard): It is past five o'clock, and unless we have unanimous consent to do otherwise we must proceed to private members business. Since there is no unanimous consent the house will now proceed to the consideration of private members business as listed on the order paper, namely public bills.

BUSINESS OF THE HOUSE

Mr. Pennell: I am not in a position to give members business, I might perhaps be permitted to announce the business for Monday. It is proposed to call item 32, house in committee of the whole on Bill C-161, an act to establish a Department of Corporate and Consumer Affairs. Then we would take item 33, the post office resolution, followed by item 34, consideration of the Emergency Gold Mining Assistance Act.

Mr. Bell (Carleton): Will that be the order of business to be followed for Tuesday and later?

Mr. Pennell: I am not in a position to give that assurance. It is quite possible we shall return to the capital punishment bill—the amendments to the Criminal Code—on Tuesday.

Mr. Bell (Carleton): Is the minister able to say definitely whether or not we shall return to that bill on Tuesday? I think it would be to the convenience of the house if he could say definitely one way or the other.

Mr. Pennell: I can go this far, that I think the chances are very strong that we shall be doing so. That is as far as I can go at the moment, in the absence of further consultation with the leader of the house.

Mr. McNulty: May we stand public bills 1 to 3 inclusive and take up bill No. 4?

The Acting Speaker (Mr. Richard): Bills Nos. 1 to 3 stand at the request of the government.

INQUIRIES ACT AMENDMENT

APPOINTMENT OF JUDGES TO SERVE AS COMMISSIONERS

Hon. R. A. Bell (Carleton) moved the second reading of Bill No. C-15, to amend the Inquiries Act.

He said: This bill, No. C-15, which would amend the Inquiries Act so as to restrict judges from acting as royal commissioners has two companion bills on the order paper, also introduced by me—C-16 to amend the Judges Act and C-89 to amend the Supreme Court Act. The three bills have a common purpose and in order to develop my argument it will be necessary to ask Your Honour's indulgence and that of the house to make brief reference to the other bills.

The basic purpose of the three bills is to uphold and strengthen the independence and impartiality of the judiciary. I believe Canada is uniquely fortunate in the calibre and integrity of those dedicated men, and regrettably too few women, who serve on the bench at all levels. Indeed, I assert with confidence that the quality of the Canadian judiciary is not surpassed by the judiciary of any other nation. None the less I believe and submit firmly to the house that the practice of appointing judges as royal commissioners, arbitrators, conciliators, referees, or to other such extra-judicial duties is detrimental to the best traditions of the bench, endangers the independence and impartiality of the judiciary and should now be stopped once and for all.

Companion Bill C-89 was drafted to achieve two purposes, first as an absolute prohibition against a justice of the Supreme Court of Canada serving as a commissioner under the Inquiries Act and, second, to prevent any such justice from undertaking any service of any nature—and I emphasize, any service of any nature—unrelated to his judicial duties, as a result of which he might become involved in political controversy.

Inquiries Act Amendment

Companion Bill C-16 to amend the Judges Act would prevent judges from accepting any extra-judicial duties except when expressly authorized to do so by resolution of this house, or by resolution of a provincial legislature.

This Bill C-15 is designed to prevent a judge from being appointed a commissioner under the Inquiries Act without the express authority of a resolution of the House of Commons. Hon. members may wonder at this qualification. Provision for appointment of a judge as a commissioner with the express authority of a resolution of the House of Commons would enable the use of a judge in a very exceptional—and I repeat, very exceptional—case, where the Minister of Justice could satisfy the house that no damage to the judiciary could result.

Frankly, I would hope that this provision would seldom—perhaps never—be used, but I have inserted it as a precaution in case there might arise some emergency, or some other situation, where the duties of the proposed commissioner would be essentially judicial in character. I might use as illustrations, the Royal Commission on the Law of Insanity as a Defence in Criminal Cases, or the Royal Commission on Criminal Sexual Psychopaths.

The issue is not a new one. It has been debated many times in this chamber and I think it is only fair to say that hon. members, when they sit on this side of the house, seem to take a more jaundiced view of the practice than when they assume administrative responsibilities on the other side of the house. That distinguished and amiable scholar, Professor John C. Courtney, in a well documented article entitled "Judges as Royal Commissioners" in the winter issue, 1964-65, of the Dalhousie *Review*, pointed out that as early as 1872 a resolution was introduced into this house to the effect that payments received by judges for extra-judicial work "are calculated to impair the independence of the judiciary and are in contravention of the spirit of our laws designed to secure the independence of the judges". Ninety-five years later, I subscribe fully to those words.

A number of the judges of the Supreme Court of Canada have in the past become embroiled in political controversy as a result of serving as royal commissioners. The greatest Canadian jurist of all time, Sir Lyman P. Duff, twice became the centre of partisan controversy as a result of his services, first as royal commissioner on transportation and second as royal commissioner on the Hong Kong expedition. The violent attacks upon him were not, I submit, good for our highest court or for the status and prestige of our highest judicial office.

[Mr. Bell (Carleton).]

• (5:10 p.m.)

Similarly Mr. Justice Davis in the Bren gun affair, Mr. Justice Taschereau as he then was, and Mr. Justice Kellock in the soviet espionage affair, normally known as the Gouzenko affair, and more recently Mr. Justice Spence in the Munsinger affair, drew upon themselves and their high office bitter public controversy with, as well, I submit, detriment to the highest court in the land. I might express this perhaps more vigorously, except that I want to bury past follies.

The best statement of this problem may be found at page 445 of Norman Ward's edition of Dawson's "The Government of Canada", from which I would quote:

> There would seem to be little purpose in taking elaborate care to separate the judge from politics and to render him quite independent of the executive, and then placing him in a position as a royal commissioner where his impartiality may be attacked and his findings—no matter how correct and judicial they may be—are liable to be interpreted as favouring one political party at the expense of the other. For many of the inquiries or boards place the judge in a position where he cannot escape controversy: he may be making decisions which at least touch on policy; he may be considering, or conciliating, or deciding disputes on labour questions; he may be investigating and interrogating by very questionable procedures persons suspected of treasonable activities; he may be conducting inquiries on definitely political matters such as the Hong Kong or Bren gun charges.
>
> It has been proved time and again that in many of these cases the judge loses in dignity and in reputation, and his future usefulness is appreciably lessened thereby. Moreover, if the judge remains away from his regular duties for long periods, he is apt to lose his sense of balance and detachment; and he finds that the task of getting back to normal and of adjusting his outlook and habits of mind to purely judicial work is by no means easy.

Basically, sir, the objections as they are stated there to extra-judicial duties are threefold; first the possibility, and in many cases the probability of a judge becoming involved in public and oft-times partisan controversy; second, that judicial work suffers—no one can moonlight without affecting his regular work, and it is a truism that justice delayed is justice denied—and third, the receipt of extra pay for judicial moonlighting is an infringement upon the independence of the bench. I am not by any means certain that the legislation passed at the last session of this parliament has solved that latter problem.

All these facts were clearly pointed out by the Chief Justice of Quebec, Hon. Lucien Tremblay, in a vigorous speech to the Conference of United States Chief Justices, as reported in the Montreal *Gazette* of August 5, 1966, from which I quote:

Quebec's Chief Justice, Lucien Tremblay, yesterday vigourously assailed government practice of appointing judges to commissions of inquiry and labour relations boards.

Chief Justice Tremblay charged that the practice—which he termed "bad as a general rule"—delayed the course of justice, resulted in violations of the law and often misled the public.

Then later on:

"The function of a judge is to hear cases and render judgment, but when a judge gives his opinion on any other than a legal question, his opinion is not worth more than that of any other citizen of equal standing", he said.

I think perhaps I should point out to the house that the former minister of justice, Hon. Lucien Cardin, wrote to all the chief justices across Canada in July, 1966, drawing attention to sections 37 and 38 of the Judges Act, and he added:

I should appreciate it if you would draw these provisions to the attention of the judges of your court, and point out that in all cases where they propose to undertake extra-judicial duties in labour matters for private persons the consent of the governor in council must be obtained. You might also indicate that I would not be prepared to recommend to the governor in council that such consent be granted unless I am assured by you that the duties can be undertaken without interfering with the administration of justice.

Now, sir, enforcement of the requirement that a judge must have the consent of his chief justice as well as the approval of the governor in council presumably will safeguard against court proceedings suffering due to judicial absenteeism, but it does not meet the problem of public controversy or infringement of the independence of the judiciary. I have very grave doubts whether the procedures outlined by the former minister of justice are in fact being adopted and enforced, and particularly at the county and district court level. I doubt if all the Ontario county judges who have engaged in labour relations work since July, 1966, have had the approval of the governor in council.

Moonlighting by judges in the field of industrial relations has been a very genuine problem in the province of Ontario. Until the legislation of a year ago there were a few county judges in Ontario to whom the regular judicial emoluments were mere bread and butter, whereas they earned their honey and jam by supplementing their judicial earnings two or three times over through fees charged in industrial relations conciliation and arbitration work. Has this been solved completely by the new legislation? I am not by any means sure. In fact I believe it has not.

Are these outside earnings a threat to judicial independence? Personally I am satisfied that they have that potential. Judges are only human; their lofty positions do not insulate them from the frailties and temptations which beset lesser mortals. I adopt the words of a very great Canadian, a man who was an outstanding parliamentarian, a great barrister and former President of the Canadian Bar Association, John T. Hackett, later Senator Hackett, spoken in this house on June 21, 1946, as reported in *Hansard* at page 2709 for that date:

To the extent that these tasks are paid for, they are subversive of the principle of independence which is the bedrock of our whole judicial system. If a judge is to receive remuneration in excess of his statutory compensation, which has been horribly inadequate for generations, he is beholden to the party paying him, be it the political party in power or be it a labour union or employer who commands his services. But if the practice in the form to which I have just alluded is reprehensible, it becomes more objectionable when judges undertake tasks highly pigmented by politics.

It is impolitic for a practising barrister to say anything which might be construed as criticism of the bench. It is most unfortunate that stern necessity imposes on me the duty of pointing out the dangers to the greatest of our institutions inherent in this practice. I do not accuse the government in power of being the sole offender, but circumstances have made it the most frequent and the most recent offender—

I say with sorrow that the reputation for impartiality, dignity and honour enjoyed by the bench has been exposed to criticism by this practice. All who believe in the law, who depend upon its fearless administration, and admit that the people at large must have complete faith in the integrity of the judiciary, must oppose the continuance of this practice.

Then Mr. Hackett, after referring to labour disputes, went on:

At the present time, in the clubs, in the marketplace, wherever men meet and discuss, one hears a judge classified as "favourable to labour," another as "favourable to the interests," another as "weak and not knowing exactly which side he is on".

Those words are as wise and as true today as they were 21 years ago when they were first uttered. Equally wise and pertinent quotations could be found in numerous speeches on this subject made by the right hon. gentleman from Prince Albert (Mr. Diefenbaker), particularly when he was the hon. gentleman from Lake Centre.

There is a further aspect, namely the assumption by judges of administrative duties. In this I am thinking particularly of judges serving on police commissions. The constitution of police commissions is a matter for the provinces, but the duties of judges, I submit, are within the jurisdiction of this parliament, and I believe parliament should prohibit judges from undertaking police commission duty. To adopt the words of Chief Justice Tremblay, "The function of a judge is to hear cases and render judgment." He should not be closer to the police than to the criminal. He should be insulated equally from both. Personally I do not believe that any judge actually achieves any bias by reason of serving on a police commission, but I do know that members of the public suspect such bias. This is an instance, surely, where the old rule applies: that justice must not only be done, it must appear to be done.

• (5:20 p.m.)

I do not suggest for a moment that the need for the types of skills which judges are alleged to possess can be left in a vacuum. From time to time royal commissions are needed, though I confess to believing that the less often the better. Certainly adjudicators, arbitrators, conciliators and referees are an essential part of modern life, and not merely in the field of industrial relations. From what segment of the population may such persons be drawn if not from the judiciary? Personally I believe they must be drawn from the academic and the practising profession. I go further and suggest that a new and trained profession in this field is now a necessity. Perhaps we could learn from France.

A former attorney general of Ontario, A. Kelso Roberts, sought to meet this problem by legislation to establish a new group of scholarly people to be known as "approved impartial referees and arbitrators". Apart from the tongue-twisting name, the idea was a good one—the establishment of a panel of qualified, yet non-judicial, referees, arbitrators, conciliators and adjudicators. The panel would achieve their status through licensing by a board of supervisors and would be available for such duties as are now performed in this field by judges. The legislation, which is chapter 5 of the statutes of Ontario of 1962, received royal assent on April 18 of that year, but regrettably has never been proclaimed. What might have been a valuable experiment has never been tried. For myself, I accept the general principles of this Ontario legislation. A system of qualifying a new group of conciliators, arbitrators and other such persons as an alternative to bringing judges down off their benches must in my view be worked out.

What I would ask the house to do now is to send the judges back to the high and lofty status to which they were summoned; to prevent them from becoming involved in political controversy; to stop some of them from competing with one another in a money grubbing operation to see who can land the most labour relations work, and to free them from administration and give them time and opportunity for scholarship and judicial meditation. In short, let judges be judges.

In my enthusiasm for reform I may perhaps have seemed to reflect upon our bench in Canada. My dear old friend, the late John T. Hackett, said as I quoted earlier that "it is impolitic for a practising barrister to say anything which might be construed as criticism of the bench". I think it is even more impolitic for one, who has been forced by parliamentary circumstances—to his great regret—to become a non-practising barrister to appear to so criticize. For that reason I close on the note upon which I began. My admiration for the scholarship, the integrity and the independence of our Canadian judiciary is genuine and sincere. I want them to be judges in the great traditions, both of the civil and common law, and to cease being as they now are, jacks-of-all trades.

Mr. H. E. Stafford (Elgin): Mr. Speaker, I always marvel at the fluent and able way the hon. member for Carleton (Mr. Bell) introduces either a private members bill or anything else in this house. I agree with many of the allegations the hon. member has made, especially in respect of the quality of the Canadian judiciary. I know of no country anywhere in the world where the judiciary is held in higher esteem. Unlike my hon. friend, it is my feeling that inquiries under the Inquiries Act are as important as any case, and sometimes they involve matters of such serious public concern the decision of a judge is more readily accepted than a decision by anyone else, because of the independence and unbiased quality our judges possess.

The hon. member for Carleton made many objections and I do not intend now to cover them entirely. He referred to the possibility of a judge becoming involved in public controversy. I suppose a judge could always become involved in public controversy but, as I will suggest in a very few minutes, there

are other amendments which I feel are much more important to keep judges away from such controversy.

The hon. member also mentioned that justice is sometimes delayed. It is my submission that an inquiry can be just as important as any other case, and sometimes much more important. I do not intend to deal specifically with the hon. member's third objection, but I will refer to it indirectly in a few minutes. The hon. member suggested that when a judge gives his opinion in respect of any case, other than a legal case, his opinion is worth no more than that of anyone else. Let me refer him to his opening words which can be used to refute that statement, because it is the reputation for independence and impartiality that judges possess which makes their opinion much better in a particular field than that of an ordinary person.

The hon. member referred to moonlighting in respect of industrial relations. Certainly in labour arbitration I believe that the opinions of judges are usually accepted more readily by the parties involved than by any other group of people. The hon. member suggested the reputation of impartiality may be damaged because of added remuneration. I think that equally wise quotations could be obtained regarding the value of obtaining the services of an unbiased, impartial judge.

My hon. friend mentioned that justice must not only be done, but that it must manifestly appear to be done. I am in total agreement with that statement. This is a quotation that has long been used in reference to our system of British justice. The member speaks of a new and trained profession that is needed, namely the establishment of a panel of qualified arbitrators. I would be in complete agreement if that new profession were already established, but to date that is not the case. I can only ask the hon. member whether it might be better to pass legislation setting up such an alternative before leaving us in a vacuum by preventing judges from performing this very important task.

I support the hon. member in respect of two things, and I commend him for bringing this important matter to the attention of the house. This is something which has been discussed for some time by the members of the profession which the hon. member and I share outside this house. I share his feeling that the law should be amended, but the areas of amendment in my opinion are different.

Let me make two points in this regard. Under the Inquiries Act the terms of reference for the commissioners should be submitted to this house. It is very important that the terms of reference be fair. In my short time in the house I have heard discussions on at least one, if not two occasions, about terms of reference, so far as certain members of this house were concerned, not being exactly fair. They should be fair and perhaps one way of making sure they are fair would be by submitting them to this house for approval.

My second point is that the commissioner should be restricted to findings of fact, and should not pass judgment on those facts. That responsibility should be left to the house. In other words, the facts found by the commissioner should be presented to the house, where any judgment on the basis of those facts should be made. I do not intend to deal with any of the commissions of late but would just give this example. Let us suppose it is alleged that a minister did not use good judgment in entering into a contract. Pursuant to the provisions of an order in council, a judge is appointed a commissioner under part I of the Inquiries Act to inquire into whether the minister used good judgment in entering into the contract. The commissioner should inquire into the facts, as for example whether other tenders were called and the circumstances surrounding the contract.

• (5:30 p.m.)

When the judge, acting as a commissioner, makes a finding of fact, parliament should then make the judgment on those facts. In other words, it is for parliament to decide on the facts whether the conduct of the minister was open to censure. The judge should be relieved of passing judgment on a minister or member of parliament on any matter relating to the responsibilities of a member of this house. If a commissioner decides only on the facts, I submit he will not be exposed in the way in which the hon. member for Carleton (Mr. Bell) has very carefully pointed out on so many occasions.

I should like to discuss for a moment only one of the examples put forward so ably by the hon. member for Carleton. I refer to the commission that was set up to report on the Hong Kong expedition. As the hon. member for Carleton said, Chief Justice Lyman Duff was appointed the royal commissioner in that

case to inquire into the organization, authorization and despatch of the Canadian expeditionary force to Hong Kong in October, 1941.

I quote from the report by the royal commissioner:

> The order in council states that the purpose of the investigation is to determine whether there occurred any dereliction of duty or error in judgment by those whose duty it was to arrange for the authorization, organization and despatch of the force that resulted in detriment or injury to the expedition or its members.

I am not reading this out just for the sake of reading it. I would like to cite this case to the hon. member for Carleton as an example of how we can take the law as it exists today and use it by submitting only facts to the commissioner involved. In making a finding of fact the commissioner could not possibly, in my respectful submission, be exposed in the way put forward by the hon. member for Carleton. Later in his report the commissioner said:

> My duty is to determine whether there occurred any dereliction of duty or error in judgment "on the part of any of the personnel or of any of the departments of the government whose duty it was to arrange for the authorization, organization and despatch of the expeditionary force"—

If a finger can be raised against the commissioner in this particular case, it is the terms of reference that are responsible and not the commissioner himself. The commissioner went on to say in the report:

> —and whether, if such dereliction or error occurred, there resulted detriment or injury to the expedition or the troops comprising it.

Five points are set out by the commissioner in his report but I will summarize those which can be taken as factual matters. First, who authorized the expedition? That is fine as far as it goes. This refers to the expedition that left Canada on October 27, 1941.

On page 4 of the report the commissioner pointed out one thing that I should like to bring to the attention of the house. As far as I can see, this is the only time in the report when he expressed an opinion, but in my respectful submission this opinion was expressed because of the terms of reference themselves. He said:

> It would perhaps be a possible view that the propriety of this decision by the government is exclusively a matter for consideration and discussion by parliament.

In expressing that view it would seem the commissioner felt he was making a finding of fact and it would be up to parliament to decide, on the facts, whether there had occurred any dereliction of duty, rather than it being left to the commissioner to himself find that dereliction.

In this connection I should like to stress to the hon. member for Carleton that if the commissioner had to make up his mind only on matters of fact, all the objections upon which he based his bill and which he mentioned in his speech today would be completely superfluous. The commissioner went on to say:

> Since, however, I am required to pass upon the question, it is my duty to say that I have no doubt the course taken by the government was the only course open to them in the circumstances.

Of course, there is one advantage in having it done that particular way. As I mentioned, there were certain secret documents and telegrams here that probably would not have been exposed to this house. Second, the commissioner had to deal with the question of the selection of the units for the expeditionary force. That was a factual matter. In that case the minister could easily have found on that point of fact without any criticism from anyone. Third, he had to consider the steps taken to bring the units up to strength, including first reinforcements; fourth, the general organization and despatch of the force, apart from the subject of mechanical transport; and fifth, mechanical transport—that is, the number of vehicles, and so on. If all those five matters were decided by the commissioner, I would say to the hon. member for Carleton that no criticism could be placed on him. Of course, I agree with the commissioner's findings in that case; but if the facts alone had been left to the commissioner, and those facts brought back to this house for judgment, it would have left the commissioner in a much better position.

It is often mentioned in the house that parliament is too busy to deal with matters of this kind. At no time has this been quite as obvious as it was in the last few days. I am not going to give all the examples that I could, but in the debate on capital punishment the other day the hon. member for Calgary North (Mr. Harkness) said, as reported in *Hansard* at page 4261:

> There are also many very urgent matters which the house should be considering.

The hon. member for Prince Edward-Lennox (Mr. Alkenbrack) said on the same day, as reported at page 4281 of *Hansard*:

> —despite the serious economic ills which now beset our country and the need for useful and

beneficial legislation concerning economic matters, the government now wastes the time of parliament by sponsoring this bill dealing with the Criminal Code, which will be productive of nothing of benefit to Canada.

The next day the hon. member for Queens (Mr. Macquarrie) spoke of impending legislation and said there were other ways in which this house could be more gainfully and more usefully employed, and that it was no time to debate a bill that would bring about changes to the Criminal Code. It has been said on many occasions that parliament is so busy. I would ask the hon. member for Carleton whether parliament is not too busy to discuss and take up the time necessary in dealing with his bill.

Mr. Bell (Carleton): Mr. Speaker, could I ask the hon. gentleman a question? Is he advocating the abandonment of private members hour?

Mr. Stafford: No, Mr. Speaker, I am merely pointing out what would happen if this amendment became law. Unless the governor in council were expressly authorized in a particular case to appoint a commissioner by resolution of the House of Commons, it would mean that every time a commissioner was appointed by resolution of the house the matter would have to be discussed.

I listened to a debate in this house not too long ago about terms of reference, and I hate to think of 265 members expressing their views about a particular judge or judges named in a resolution to do a job required by the government. I submit it would be a very lengthy discussion.

• (5:40 p.m.)

It is obvious that if the names of judges are bandied about and if an extended discussion concerning judges is carried on in the house, this would not add to the dignity, unbiased nature and reputation which judges and courts possess in Canada at this time.

I should like to say a few words about judges. They have a great security of tenure in Canada. Their appointments last until they reach the age of 75 years. It is an established practice in Canada not to lower the salaries of judges; so their future is assured. The executive cannot say to a judge "If you do not do "a certain thing", your salary will be cut down to $1 a year", which, all in all, makes them very independent. Over the years they have built up a tradition of impartiality and objectivity. People in Canada respect their independence. What my hon. friend said to sum up the reputation of judges in this country cannot be expressed in a better way. The reputation enjoyed by the judges also applies to the courts.

I have already covered one difficulty of appointing judges by a resolution, namely that it would take much time of parliament to discuss and criticize the personalities of the judges. The airing of this subject would destroy the respect which the public has for judges today. If that were to happen, we would also lose respect for the law. The judges themselves would be the subject of an inquiry before the inquiry ever took place, and after such a public inquiry in the house the public would not be prepared to accept the finding of the commissioner. In my respectful submission it would be a retrograde step which would undermine one of our most viable institutions, namely our judges and our courts.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, in my view the bill which the hon. member for Carleton (Mr. Bell) has introduced, with his usual eloquence, undoubtedly points to a problem which exists and which is real. I am not at all certain, however, that the bill offers a solution, and perhaps that is the consideration which should be uppermost in our minds when we assess a proposal of this kind. If I heard the hon. member correctly, he was quoting another opinion when he argued that court proceedings were suffering from judicial absenteeism, and he spent some time discussing what he referred to as judicial moonlighting. For a while I hesitated in deciding whether or not I should inject myself into this discussion, because I do not have knowledge in the operation of the courts which is possessed by someone in the profession of the hon. member for Carleton. But on second thought I decided that I would take part in the discussion because perhaps the hon. member's search for a solution may be restricted and limited by the special knowledge he has in this field, and which I lack.

Both he and the hon. member who followed him expressed some concern that the integrity and the honour in which courts in this land are held should not in any way be impaired. The hon. member for Carleton argued that as a result of some of the activities in which members of the judiciary are called upon to engage there is a lowering of their reputation in the minds of the people of this country. In my view these activities,

which tend to lower our faith in the integrity of the judiciary, which faith we all consider to be desirable, have not been activities under the Inquiries Act but have rather resulted from certain defects in the laws. I might as well say at once that I am referring to certain applications for injunctions which are becoming increasingly frequent in our society.

I think that probably most members of the house would agree that the fact that judges are being called upon to perform functions which are outside their traditional duties indicates that there is a need in our society for people to perform these tasks with the integrity and detachment which we traditionally associate with the judiciary. Therefore I suggest for the consideration of the house that instead of the proposal made by the hon. member for Carleton, which would in effect prohibit the use of judges under the Inquiries Act, except in some rare instances, and because of the very reasons that were advanced by the hon. member for Elgin (Mr. Stafford) that no government will wish to have frequent debates in the house regarding the appointment of judges under the Inquiries Act, we should consider expanding our traditional view of the courts. It seems to me from a layman's point of view, that our judicial system and the decision as to the number of judges which we appoint, was established in the context of a much simpler society which, by and large, was rural. At that time the only need for people in such a detached position was in cases involving civil or criminal actions; whereas in our present society there is an increasing need for judges presiding over inquiries going far beyond the scope of the traditional courts. Perhaps we should therefore think of an expansion of the whole concept of what is involved in being a judge.

The hon. member for Carleton suggested that we should think of employing in this capacity academics and other professionals. I suggest to him that academics have knowledge in a special field, whereas there is a need for someone who is beyond and above any particular specialty and who is in a position to assess and to judge certain cases. In many instances the matters that are being dealt with are of such broad public interest that the persons appointed to deal with them must enjoy the prestige and impartiality normally required in carrying out the functions of a court.

[Mr. Barnett.]

• (5:50 p.m.)

There have been of course many suggestions for the setting up of panels of arbitrators or referees. I have been wondering whether or not any action we might take in this parliament would be likely to attract or develop a group in our society which would have anything like the prestige traditionally associated in the minds of citizens with judges. I have been wondering whether or not we should take a different approach to certain appointments in order to provide panels of people on the bench from whom we could draw for this very important social purpose, rather than have these judges haggling over some civil action.

I am not suggesting, Mr. Speaker, that I have the answer to this problem. However, I believe some such approach as I have suggested might be sounder than the bill proposed by the hon. member for Carleton which, in a sense, is going to restrict the availability of competent people, with the prestige that is required to do very necessary jobs in our society, without putting anyone else in their place. I suggest to the hon. member for Carleton that he put his fertile imagination to work on a proposal which might appeal to more of us, and bring about a desirable solution to the important problem we have in which our judges admittedly have been caught up in a rather unfortunate way.

Mr. Ron Basford (Vancouver-Burrard): We have had very learned addresses on this private bill from the hon. member for Carleton (Mr. Bell) and from the hon. member for Elgin (Mr. Stafford). I think the hon. member for Elgin has successfully demolished the argument of the sponsor of the bill. There is one aspect of this subject that has not been dealt with, Mr. Speaker, and that is that if we are going effectively to limit judges from serving as royal commissioners, then we must of course ask where we can find others to do this work. The purpose of a royal commission is to get a number of different views. By appointing three, five or seven persons to a royal commission you would get these different views and then, by a process of distillation of opinion, the royal commissioners reach a consensus on some important social or economic problem which they have been asked to examine.

We must ask ourselves, who would replace the judges? The first group of people that come to mind would be the economists. It is said of economists that if you put three in a

room you get four opinions. If we made up a royal commission of economists, the taxpayers would get one opinion for nothing, so I think that would be a desirable saving to the taxpayers.

After giving the matter more thought, it seemed to me that if we were not going to allow judges to sit on royal commissions we should perhaps have royal commissions made up of newspaper publishers and editors. It seems to me there are a number of important benefits from this proposal. Of course if a royal commission were made up of newspaper publishers, we would be assured from the beginning that the royal commission would have the benefit of a wide range of views on any given subject into which the commission inquired. If one picks ten editorials on any given subject, he usually finds there are three editors in favour, three opposed, two editors usually have not decided on their position, and by the end of the editorial two more have managed not to declare themselves either for or against. Therefore, we have the advantage of being automatically guaranteed a wide range of opinion.

It seems to me therefore it would be very good for newspaper publishers and editors to be appointed royal commissioners. They would have to grapple with the problems of the nation, rather than sit in their offices and write editorials. This would be a good training for them. A more important benefit is that we would be automatically guaranteed editorial support for whatever recommendations the royal commission might make. As it is now, we have recommendations coming from royal commissions which cost us a great deal of money, and then the newspaper publishers across the country set about shooting down those recommendations in flames. If the recommendations were made by the publishers, then automatically when the royal commission report was made public it would receive the overwhelming support of the Canadian editorial writers. The recommendations would then be easily implemented by the government. I think we could solve the major issues of the nation in this way.

I suggest, for example, a royal commission on foreign ownership might be composed of the publishers of the Toronto *Star*, the Winnipeg *Free Press* and the Vancouver *Sun*. Perhaps the Edmonton *Journal* could be included. They would sit down and analyse this question, then come out with a royal commission report on foreign ownership which I am sure would solve the problem once and for all. Perhaps we could have a royal commission on French-English relations composed of the publisher of the Orillia *Packet*, the Vancouver *Province* and *Le Devoir*. I am sure they would solve this problem once and for all. When these commissioners made their recommendations they would have unanimous editorial support across the country, and we could implement their recommendations without further controversy. Then we could get on with the other problems of the nation.

We could have, for example, a royal commission on economic prospects and policy, composed of the publishers of the Halifax *Chronicle*, the Toronto *Telegram* and the Winnipeg *Tribune*. In this way, we could have a consensus on what we should be doing about inflation. The Minister of Finance (Mr. Sharp) could implement the report of the royal commission and receive newspaper support right across the country.

Mr. Knowles: Whom would you put on the status of women commission?

Mr. Basford: I suppose the publishers of the *Ladies Home Journal* and *Chatelaine*. Since we are not going to be allowed to have judges as the members of royal commissions if this bill passes, I think we must turn to other groups. I can think of no finer group than the newspaper publishers and editors in Canada. As I have pointed out, I believe there are definite benefits to limiting the appointment of royal commissioners to that group of people. In conclusion, Mr. Speaker, I say again that I believe the hon. member for Elgin properly and effectively demolished the reasoning behind this bill, and clearly indicated why we should not proceed with it.

May I call it six o'clock.

Mr. Bell (Carleton): There are two other bills standing in my name, Bill No. C-16, to amend the Judges Act and Bill No. C-89, to amend the Supreme Court Act, and I think it would be best if they took the same status on the order paper as this bill. I ask unanimous consent that they take the same status.

The Acting Speaker (Mr. Tardif): Does the house give the hon. member unanimous consent?

Some hon. Members: Agreed.

Inquiries Act Amendment

The Acting Speaker (Mr. Tardif): The suggestion is that order No. 5, second reading of Bill No. C-16, an act to amend the Judges Act, and order No. 78, second reading of Bill No. C-89, an act to amend the Supreme Court Act, both in the name of the hon. member for Carleton, be dropped to the bottom of the list of public bills; is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Tardif): The hour for the consideration of private members business has now expired.

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

HOUSE OF COMMONS

Monday, November 27, 1967

The house met at 2.30 p.m.

PUBLICATION OF STATUTES ACT

AUTHORIZATION TO PRESCRIBE FORM AND MANNER OF PRINTING

Hon. Allan J. MacEachen (for the Minister of Justice) moved the first reading of Bill No. S-18 (from the Senate), to amend the Publication of Statutes Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MARRIAGE OF CANADIANS BY CONSULAR AGENTS ABROAD

Question No. 286—**Mr. Caouette:**

1. Are Canadian diplomatic or consular agents empowered to marry Canadian citizens abroad?

2. Can Canadian citizens be married abroad by diplomatic or consular agents of the United Kingdom and, if so, under what statutory provision or agreement can this occur?

3. Since the Statute of Westminster of 1931, has the government of Canada requested the government of the United Kingdom to continue to allow its agents to marry Canadian citizens outside Canada?

4. Does the government of Canada intend to allow this practice to continue?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. The Canadian diplomatic or consular agents do not have the power to solemnize abroad the marriage of Canadian citizens.

2. Canadian citizens are able to marry abroad in accordance with the provisions of local law. As an additional facility, by virtue of the United Kingdom Foreign Marriage Act of 1892-1947 and the Foreign Marriages Order 1964, which empowered certain official British representatives abroad to perform marriages abroad, Canadian citizens can, if they wish it and provided they meet the requirements involved, be married abroad by such officials.

3. Canada has not made such request to the Government of the United Kingdom.

4. The British legislation in this field has been useful to those Canadians desiring to take advantage of it. The question as to whether this procedure should be maintained is, however, under study.

Legislative authority in relation to marriage is divided between the provinces and parliament. The provinces have jurisdiction in relation to "solemnization of marriage in the province" and parliament has jurisdiction in relation to "marriage and divorce". As a consequence, while parliament could authorize Canadian consuls abroad to perform marriages, it would be necessary for the provinces also to pass legislation validating such marriages.

Federal legislation would be required since such marriages would not relate to a solemnization of marriages in the provinces and therefore would not be within the jurisdiction of the provincial legislatures. Jurisdiction on this question would be vested in the parliament of Canada. However, provincial legislation would also be required so as to ensure that marriages solemnized outside the provinces would be valid within the provinces. Only the legislature of the province could enact a law declaring that a marriage solemnized outside the province is a valid marriage within the province. It will be realized that the concurrence of the province would therefore be required in order to change the actual practice. The question is presently under study.

[*English*]

SECOND HARBOUR BRIDGE, HALIFAX

Question No. 494—**Mr. Forrestall:**

1. What consideration has been given, if any, by the federal government in regard to the construction of a second harbour bridge between Halifax and Dartmouth?

2. Is the federal government engaged in studies or discussions with other governments concerned in this matter?

3. If so, what is the present status of these discussions?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. A second toll

bridge between Halifax and Dartmouth is currently under construction by the Halifax-Dartmouth bridge commission. No federal government consideration of this project was requested.

2. No.

3. See answer to 2.

R.C.M.P. BARRACKS CONSTRUCTION, ELBOW, SASK.

Question No. 506—**Mr. McLelland:**

1. Has the government awarded a contract to construct a new R.C.M.P. barracks at Elbow, Saskatchewan?

2. If so (a) who was the contract awarded to (b) by what date is the construction to be completed (c) what is the total amount of the completed contract?

Hon. L. T. Pennell (Solicitor General): 1. Yes.

2. (a) Shoquist Construction Company, Limited of Saskatoon, Saskatchewan; (b) February, 1968; (c) $70,260.

PRODUCTION OF NATIONAL DEFENCE EXPERIMENTAL PROTOTYPES

Question No. 525—**Mr. Winch:**

1. What was the total federal government expenditure on the development of the Avro Arrow plane and how many were test flown before cancellation of the program?

2. What was the total federal government expenditure on research and production on the armoured carrier known as the Bob-Cat?

3. What has been the cost to the federal government of endeavouring to produce a hydrofoil craft suitable for defence and anti-submarine purposes?

4. With reference to parts 1, 2 and 3, on a particularized answer, was work stopped for the reason of (a) lack of funds (b) failure of prototype tests (c) a country, or other countries, overcoming and surpassing Canada in its experimentation and results (d) failure to obtain overseas interest and sales in the event of successful completion of experimentation and production of a prototype?

5. With reference to the federal expenditures on the Avro Arrow, Bob-Cat and hydrofoil craft, did the government have prior consultation with any other government, or have a joint working and financial agreement and, if so, with what country and on what research and production endeavour?

Hon. Léo Cadieux (Minister of National Defence): 1. $397,212,000 based on Department of National Defence records; five.

2. $9,252,908.

3. As of 1 October, 1967, $40,117,000 which includes the sum of $517,000 spent by the Department of Defence Production for a hydrofoil design study.

4. Re part 1, see *House of Commons Debates*, February 20, 1959, pages 1221-2.

Re part 2, see *House of Commons Debates*, December 5, 1963, pages 5454-5 and minutes of special committee on defence No. 21, November 19, 1964, page 879.

Re part 3—Not applicable.

5. No.

DUTY ON CELERY IMPORTS

Question No. 529—**Mr. Caouette:**

1. What was the duty on celery from the United States over the past two years?

2. Has the government received representations concerning the duty on this market product?

Hon. Mitchell Sharp (Minister of Finance): 1. Fresh celery is classified under tariff item 8709-1. Celery imported from the United States is subject to a seasonal duty of 2 cents per pound for a period of up to 24 weeks annually. For the balance of the year celery comes in free of duty. These rates have been in effect since 1959.

2. Representations were received in 1965 in connection with the Kennedy round negotiations requesting that the tariff not be reduced.

EQUALIZATION PAYMENTS TO PROVINCES

Question No. 534—**Mr. Caouette:**

How much has each province received in equalization payments under federal-provincial agreements since their inauguration?

Hon. Mitchell Sharp (Minister of Finance): Equalization payments—Period April 1, 1957 to March 31, 1967: Newfoundland, $245,242,000; Prince Edward Island, $68,465,000; Nova Scotia, $317,383,000; New Brunswick, $275,990,000; Quebec, $863,477,000; Ontario, —; Manitoba, $174,446,000; Saskatchewan, $239,548,000; Alberta, $90,586,000; British Columbia, $29,735,000.

Included in the totals shown above for the four Atlantic provinces are the Atlantic provinces adjustment grants which these provinces received during the fiscal years 1958-59 to 1966-67. These amounts are: Newfoundland, $82,500,000; Prince Edward Island, $27,500,000; Nova Scotia, $82,500,000; New Brunswick, $82,500,000.

PAYMENTS TO FAMILY OF DEAD INDIAN GIRL

Question No. 546—**Mr. Thompson:**

1. What amount did the Peigan band pay the parents of the 14-month old Peigan reserve Indian girl who died of malnutrition, during the period September 1, 1966, to September 1, 1967?

2. What amount of family allowances was paid to this family during the same period?

3. What other known payments other than federal government, did this family receive during this period?

4. What amount was paid in welfare or other payments to this family by the Department of Indian Affairs and Northern Development since September 1, 1966?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. $18 in December 1966.

2. $672.

3. $2,323 from workmen's compensation and approximately $600 from wages in beet fields.

4. $841.72 in the period September 1, 1966 to September 1, 1967.

KINGSCLEAR INDIAN RESERVE, N.B.—PAYMENT FOR LAND FLOODED

Question No. 564—**Mr. MacRae:**

1. Are the Indians of the Kingsclear reservation of New Brunswick to be compensated for their land which is being flooded by the Mactaquac power project?

2. If so, what is the total amount of compensation to be paid?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. According to the records of the department, there is no land which has been or is being flooded on the Kingsclear reserve No. 6.

2. Not applicable.

AIR POLLUTION STUDIES

Question No. 590—**Mr. Haidasz:**

1. What were the total expenditures of the Department of National Health and Welfare in 1965-1966 and 1966-1967 for measures to study and control air pollution (a) what is the proposed budget for such measures for the year 1967-1968 (b) how many people and what specific positions in the Department of National Health and Welfare have been active in carrying out air pollution studies during the last three years?

2. Have any monitoring stations been established to determine air pollution and, if so (a) how many (b) where are they situated?

3. What specific air pollutants are now being measured?

4. What specific sources of air pollutants are being studied?

5. What health studies have been carried out and what other studies are being carried out to determine the effects and diseases produced by air pollution?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. 1965-1966, $352,794*; 1966-1967, $279,500**. (a) 1967-1968, $507,440**

* Prorating is approximate.

** Estimated final expenditures not available.

(b) The air pollution program of National Health and Welfare is conducted by the occupational health division. The following professional and technical staff of this division are engaged either full time or part time in air pollution activities: Medical officers, 2; Research scientists, 5; Chemists, 5; Engineers, 4; Technical officers and technicians, 22; Total, 38.

The chief of the division of occupational health and the consultant in charge of air pollution and industrial hygiene, of that division, are responsible for directing the air pollution program.

2. (a) 19; (b) As part of the monitoring program being developed in Canada, the following cities provide measurements: Vancouver, Port Alberni, Chilliwack, Prince George, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Montreal, Toronto, Ottawa, Hamilton, London, Windsor, Sarnia, Saint John, Sydney and Glace Bay.

3. The following pollutants are being measured, not all pollutants are measured at each sampling site: Smoke density or haze, sulphur dioxide, hydrogen sulphide, ozone or oxidant, nitrogen oxides.

4. Specific sources of pollution being investigated in co-operation with provincial authorities: (a) Industries on both sides of the international boundary at Detroit-Windsor and Port Huron-Sarnia; (b) Heavy water plant (Deuterium Limited), Grace Bay, and proposed heavy water plant in Canso Strait area; (c) Pulp and paper industry, Saint John, New Brunswick; (d) Forest aerial pesticide spraying in New Brunswick; (e) Pulp and paper mills in Alberta and British Columbia; (f) Automobile exhaust emission and industrial sources of pollution. National Capital Commission area.

5. Public health grant funds have been used to support health studies related to air pollution in British Columbia and in Montreal, Quebec. In addition to these studies, laboratory research projects have also been supported in several Canadian universities.

Questions

The occupational health division of the Department of National Health and Welfare has conducted community health studies in Newfoundland and the Northwest Territories with respect to specific environmental contaminants.

In 1966, the Department of National Health and Welfare developed a health effects committee which has designed a program of community health study and review of existing health data to be correlated with air pollution findings. The members of this committee, consisting of a representative from the Department of National Health and Welfare, the Department of Health, province of Ontario, and the University of British Columbia, also serve as the Canadian representatives on the Effects Subcommittee advising the International Joint Commission on the studies being undertaken in the Windsor-Detroit and Sarnia-Port Huron area.

GRANTS IN LIEU OF TAXATION, CUMBERLAND CONSTITUENCY

Question No. 600—**Mr. Coates:**

1. What will be the amount of the grant in lieu of taxation that will be available to the town of Springhill from the federal government for the young offender's penal institution?

2. What was the total amount received by the towns and municipalities in Cumberland in grants in lieu of taxation from the federal government for the year 1966, and what is the estimated grant that will be available to these bodies in 1967?

Hon. Mitchell Sharp (Minister of Finance): 1. Estimated to be $90,000 for the year 1967.

2. For the year 1966, $134,004. For the year 1967 (estimated), $141,200.

YOUNG OFFENDERS INSTITUTION, SPRINGHILL, N.S.

Question No. 607—**Mr. Coates:**

1. On what date will the young offenders penal institution at Springhill be fully operational and have a full complement of inmates?

2. How many inmates are presently housed in this institution?

3. What is the anticipated total staff requirement when the institution is in full operation?

4. What is the estimated annual payroll when the institution is in full operation?

Hon. L. T. Pennell (Solicitor General): 1. It is not possible to specify the exact date by which this institution will be fully operational and have a full complement of inmates, as inmates will be phased in over approximately a two year period, which commenced with the admission of the first inmates in September 1967.

2. 60.

3. 241.

4. Approximately $1,500,000.

*RECONSTRUCTION OF HOT POOL, KOOTENAY NATIONAL PARK

Question No. 614—**Mr. Woolliams:**

1. In reference to a reconstruction contract for the hot pool at Radium Hot Springs in Kootenay national park, B.C., how much larger will the new pool be than the former one?

2. How many people used the pool in 1965 and 1966?

3. What are the names of the directors of the firm which was awarded the tender, namely Inspiration Limited of Calgary?

4. How many tenders were submitted, and what were the costs submitted by the tenderers?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, in view of the length and the technical factors involved in the answer to this question, may I ask for the consent of the house to have the answer printed as read.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer referred to above is as follows.*]

1. The new pool will be 95 per cent larger than the former one, 7020 square feet vs. 3600 square feet.

2. Admissions from April 1, 1965 to March 31, 1966 were 293,059; admissions from April 1, 1966 to March 31, 1967 were 329,172. This is an increase by 36,113 admissions or 12 per cent.

3. Inspiration Limited is a company with headquarters in Montreal and 12 regional offices in Canada; Calgary is one of the regional offices. The company has in addition two offices in England and three offices in Africa. The directors are: W. I. M. Turner, Jr., Chairman; W. F. Dawson, President; F. E. Blanc, J. D. Campbell, K. Graber, P. B. Hall, D. N. Kendall, H. S. Millican, P. N. Thompson, W. Howard Wert, C.A., John R. Yarnell.

4. Four tenders were submitted and the costs tendered were: $328,400, Bennett and White, Burnaby, B.C.; $290,134, Granby Installation, Castlegar, B.C.; $222,000, Burns and Dutton, Calgary, Alberta; $218,700, Inspiration Limited, Calgary, Alberta.

RAIN MAKING MACHINES, PORTNEUF CONSTITUENCY

Question No. 619—**Mr. Godin:**

1. How many rainmaking machines were in operation in the constituency of Portneuf during the summer of 1967?

2. How many technicians employed by the federal government were assigned to the maintenance of these machines?

3. How many of these machines are to be installed in the next few months?

4. How many employees are working on the project?

5. What type of conveyance (a) truck (b) helicopter, is used by these workers travelling, in particular, around St. Raymond mountains?

6. What will be the total cost of the project when completed?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by several departments as follows: 1. None.

2, 3, 4, 5 and 6. Not applicable.

ASSISTANCE TO FEED COMPANIES, PREECEVILLE, SASK.

Question No. 623—**Mr. Douglas:**

1. Has Producers Feeds (Sask.) Company Limited of Preeceville, Saskatchewan, or Premier Feeds Company Limited of Preeceville, Saskatchewan, applied for financial assistance under the area development program?

2. If so (a) has approval been given for such financial assistance and (b) what payments have been made to date and on what dates were such payments made?

Hon. C. M. Drury (Minister of Industry): 1. Producers Feeds (Sask.) Company Limited, Preeceville, Saskatchewan, has applied to the area development agency for assistance under the Area Development Incentives Act. Premier Feeds Company Limited has not made an application for assistance.

2. (a) Yes. (b) May 10, 1966, $21,959.19; April 5, 1967, $9,048.94.

MAILING OF SAVINGS BOND INCOME TAX FORM

Question No. 637—**Mr. Harkness:**

1. When Canada savings bonds interest payments were sent out on November 1, why was a notice included stating that the T5 form would be mailed not later than February 28, 1968, rather than including this form with the interest payment as has been done previously?

2. What is the estimated cost of making this second mailing to all registered bond holders?

Hon. Mitchell Sharp (Minister of Finance): 1. Because holders of fully registered Canada savings bonds who redeem their bonds up to August 31 in each year receive accrued interest to date of redemption from the bank branch which redeems them, the records at Ottawa must be adjusted to allow for these transactions before any cheques can be prepared. By the time all such bonds reach Ottawa from bank branches coast to coast and have been processed, the time remaining for cheque preparation is limited. The number of holders of fully registered Canada savings bonds is now so great that if the cheques and forms T5 were both to be prepared in time for all of them to reach bond holders by November 1st, expensive additional equipment, which would only be used for a short time each year, and more staff would have been required. Of total production time, about two thirds is needed on forms T5 and one third on cheques, whether they are produced in one operation or two.

2. By delaying production of forms T5 until after the cheques are prepared additional costs have been avoided which would be much larger than the stationery mailing and other costs involved in the present separate despatch of T5 forms.

DESIGNATED AREA ASSISTANCE, OWEN SOUND-COLLINGWOOD-MIDLAND

Question No. 639—**Mr. Noble:**

1. What are the names of the 31 industries in the Owen Sound area that received benefits from designated area assistance?

2. How many new industries went into the Owen Sound area under designation?

3. How many new industries went into the Collingwood area under designation?

4. How many new industries went into the Midland area under designation?

Hon. C. M. Drury (Minister of Industry): 1. In the Owen Sound Canada manpower centre area, 22 new industries and expansions to existing industries are now in production or in the process of being established and have received, or are expected to receive, assistance under the area development program. The names of the industries are: Amerock Ltd., Backhaus Brothers Furniture Industries, Barton Feeders Company Limited, Black Clawson-Kennedy Ltd., Bow-Mar Assemblies, George Stanley Brown, Canadian Pittsburgh Industries, Continental Brick & Tile Co. Limited, Globe Mills Limited, The Goodyear Tire & Rubber Company of Canada Limited, The Hobart Manufacturing Company

Limited, Parker-Hannifin (Canada) Ltd., Port Elgin Cabinetmakers Limited, RCA Victor Company, Ltd., Reliance-Reeves-Master Limited, Richardson, Bond & Wright Limited, Armin E. M. Starke, Stevens-Hepner Company Limited, Thomson Beverages Limited, Trimfoot Company Limited, Vandestadt & McGruer, Wardrop and Buckley.

Applications for assistance have been received by the area development agency covering nine additional projects which are still in the planning stage or are lacking formal decisions. It is not in the public interest to disclose, at this time, the names of the applicants.

2. Twelve new industries are expected to locate in the Owen Sound Canada manpower centre area and to qualify for assistance under the area development program. Nineteen additional projects involving significant expansions to existing industries in the area are also expected to qualify for assistance under the area development program.

3. Twelve new industries are expected to locate in the Collingwood Canada manpower centre area and to qualify for assistance under the area development program. Six additional projects involving significant expansions to existing industries in the area are also expected to qualify for assistance under the area development program.

4. Eight new industries are expected to locate in the Midland Canada manpower centre area and to qualify for assistance under the area development program. Eleven additional projects involving significant expansions to existing industries in the area are also expected to qualify for assistance under the area development program.

NEW DESIGNATED AREAS, ONTARIO

Question No. 640—**Mr. Noble:**

What new areas in Ontario will be designated for government assistance?

Hon. C. M. Drury (Minister of Industry): There are no current plans to designate additional areas in Ontario for purposes of the area development program. The next general review of unemployment and under employment conditions in all areas in Canada is expected to take place in 1968.

CANADIAN WEAPONS USED IN VIET NAM

Question No. 641—**Mr. Allard:**

1. Has Canada supplied any weapons to the United States for the war in Viet Nam?

[Mr. Drury.]

2. If so (a) what Canadian government agency has been awarded contracts by the United States defence department since the beginning of the war in Viet Nam (b) what individuals or Canadian industries have been chosen by the Canadian government agency to fill these contracts (c) what is the total amount Canada has received for the weapons supplied to the United States in this manner since the beginning of the war in Viet Nam (d) what sort of weapons has Canada supplied (e) was the Canadian government agency informed that these weapons would be used for the war in Viet Nam (f) was the government of Canada informed that these weapons would be used for the war in Viet Nam (g) did the Canadian government agency or the government of Canada put any restrictions on the ultimate use of these weapons?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): In so far as the Department of Defence Production is concerned: 1. Defence equipments and supplies sold by Canada to the United States under the aegis of the Canada-United States Production Sharing Program are for the general use of the United States and are not earmarked for any specific purpose. Such defence equipments and supplies are exported directly to the United States and are absorbed into the general inventory of the U.S. Military Services just as U.S. defence equipment purchased by Canada goes into the general inventory of the Canadian Armed Forces. Ultimate disposition and destination of these defence equipments is a matter for decision by the authorities of the recipient nation.

2. Not applicable.

[*English*]

GRAIN ELEVATOR, QUEBEC CITY

Question No. 642—**Mr. Hamilton:**

1. What was the date of construction of the government grain elevator at Quebec city?

2. What was the accumulated capital cost of this elevator as of March 31, 1966?

3. What was the amount of accumulated surplus or deficit as of March 31, 1966?

4. Did the government offer this elevator for sale or was the government approached and an offer made?

5. If the government offered the elevator for sale, to whom was it offered, and if the government was approached, which company made the approach?

6. Was there any tender call issued?

7. What is the name of the company to which the elevator has been leased and what are the terms?

8. Has the lease been signed as of November 9, 1967?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Originally constructed in 1914 and subsequently improved and enlarged.

2. On December 31, 1966, the end of the board's fiscal year, the capital cost of the grain elevator system was $12,281,825.

3. The National Harbours Board administration of the Quebec elevator commenced in 1936. From that date to December 31, 1966, the accumulated deficit amounted to $1,719,-326.00.

4. The National Harbours Board offered the Quebec grain elevator for sale or lease through advertisements in the public press on January 27, 1967.

5. See answer to part 4.

6. See answer to part 4.

7. Bunge Corporation Limited, which will be required under the lease to operate the facility as a public elevator under a licence from the board of grain commissioners for Canada, to provide for adequate space for grain for domestic consumption, and to construct additional storage for such grain when required by the demand. The initial period of the lease is for 10 years and the lease provides for two renewal options at rental rates to be determined by the National Harbours Board. As proposals for the lease of the elevator were invited by advertisement in the public press, and because of the widespread interest in the lease, a departure from the usual practice is being made by giving the rental figure which is $915,959 per year.

8. No.

UNEMPLOYMENT INSURANCE ADVISORY COMMITTEE

Question No. 660—**Mr. More:**

1. Who is chairman of the unemployment insurance advisory committee?

2. What salary, honorarium or other remuneration is paid to him?

3. How many meetings of the advisory committee have been held since January 1, 1967?

4. What was the duration of each meeting?

Hon. J. R. Nicholson (Minister of Labour): 1. Dr. Lloyd Francis.

2. $1,000 honorarium yearly to cover attendance at meetings of committee and in preparation of advisory committee report to the governor in council.

3. One.

4. One full day plus several more days preparing agenda for meeting, sitting dates and preparing the report.

ENGLISH AND FRENCH RADIO AND TELEVISION NETWORKS

Question No. 673—**Mr. Caouette:**

Does the government intend to bring into existence a radio and television network in French and English across the whole country?

Hon. Judy V. LaMarsh (Secretary of State): Bill C-163, now being considered by the standing committee on broadcasting, films and assistance to the arts, declares in subsections 2(e) and 2(g)(ii) that all Canadians are entitled to broadcasting service in English and French, and to the national broadcasting service, as public funds become available.

WESTERN QUEBEC—INDUSTRIAL DEVELOPMENT BANK ASSISTANCE

Question No. 677—**Mr. Isabelle:**

1. How many firms in western Quebec were helped financially by the Industrial Development Bank?

2. What are these industries?

3. What amounts were supplied?

Hon. Mitchell Sharp (Minister of Finance): 1, 2 and 3. The annual report of the Industrial Development Bank for the year ended September 30, 1966, contains information regarding the number and amount of loans by size, by province and by type of business. A further breakdown of the information is not a matter of public record.

* DISPOSITION OF GREAT RING OF CANADA

Question No. 679—**Mr. Smallwood:**

1. Has the government come to any decision regarding the disposition of the centennial gift of the American people to the Canadian people, namely the Great Ring of Canada?

2. Would the government consider placing this munificent gift in the halls of the Houses of Parliament?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): 1. No decision has been reached about the ultimate disposition of the Great Ring of Canada, but arrangements are being made for its temporary display in the National Library where it can be seen by the public.

Questions

2. The Houses of Parliament are under the control of the Speakers of the Senate and the House of Commons, with whom discussions are proceeding about the permanent display of this splendid gift from the people of the United States of America.

[*English*]

OLD AGE ASSISTANCE PAYMENTS

Question No. 697—**Mr. Clermont:**

1. What was the total outlay for old age assistance allowances for the following fiscal years 1962-1963, 1963-1964, 1964-1965, 1965-1966, 1966-1967 (a) in Canada (b) in the province of Quebec (c) in the federal constituency of Labelle?

2. What was the percentage of the federal contribution to these allowances?

3. How many persons received such allowances (a) in Canada (b) in the province of Quebec (c) in the federal constituency of Labelle?

[*Translation*]

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. Old Age Assistance Payments (Total outlay)

	(a) Canada	(b) Quebec
1962-1963	$77,518,780	$28,013,993
1963-1964	79,603,357	28,175,828
1964-1965	91,309,367	33,737,973
1965-1966	87,216,990	32,410,505
1966-1967	65,362,131	25,077,848

(c) Figures are not available.

2. The federal contribution is fifty per cent of the total outlay. Since April 1, 1965, federal contributions have been made to Quebec under the Established Programs (Interim Arrangements) Act.

3. Number of persons receiving old age assistance at the end of each fiscal year:

	(a) Canada	(b) Quebec
March 31, 1963	103,159	37,086
" " 1964	105,241	38,206
" " 1965	107,354	39,239
" " 1966	84,959	31,971
" " 1967	58,363	22,817

(c) See 1 (c) above.

[*English*]

CANADIAN FOREIGN ASSETS NATIONALIZED

Question No. 698—**Mr. Caouette:**

1. Has the government any record showing the number of claims Canadians have made in connection with their assets in other countries which have been nationalized without compensation and, if so, what are such claims and in what countries?

[Mr. Béchard.]

2. Is the government of Canada negotiating with those countries so that the Canadians concerned will receive fair compensation?

3. Has the Cuban government nationalization program affected Canadian industries or capital and, if so, has the government of Canada taken any steps to protect Canadian interests?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): 1. Yes. Pursuant to understandings reached with the Governments of Bulgaria, Hungary, Poland, Romania and Czechoslovakia, the Department of External Affairs has requested and received from Canadian citizens details concerning property in these countries which has been nationalized, expropriated or otherwise taken without compensation. In addition, the Department has on record a number of nationalization claims which have arisen in the Union of Soviet Socialist Republics, Yugoslavia, Cuba, the United Arab Republic and Communist China, as well as in the Eastern zone of Germany. These claims have resulted, generally speaking, from the nationalization or other taking of urban real property, residential property, farm land, industries, bank accounts and other debts, bonds, mortgages, etc. However, pursuant to a well-established principle of international law, the Canadian Government can advance only those claims which belonged to the Canadian citizens at the time of loss and continuously thereafter until the presentation of the claims to the foreign governments.

2. A settlement of Canadian claims against Bulgaria in respect of nationalized property was reached on June 30, 1966. Under an Anglo-Yugoslav agreement signed on December 23, 1948, a former owner of expropriated property in Yugoslavia, who had Canadian citizenship or other British subject status at the time and who gave due notice of claim, could have obtained limited compensation. Canadian officials have held to date three rounds of negotiations with Hungarian authorities in an attempt to reach a lump-sum settlement of Canadian claims against Hungary. A fourth round will begin on November 27. Negotiations toward a lump-sum settlement of claims against Poland are expected to begin early next year and it is hoped that it will be possible to start negotiations next year as well with Romania and Czechoslovakia. Consideration is being given to raising with certain other governments the claims of Canadian citizens in respect of property which has been nationalized or otherwise taken.

3. Yes. The Canadian Government has succeeded in obtaining payment of certain commercial debts owing to Canadian companies. Other such commercial debts are currently under discussion with the Cuban authorities, as is the question of nationalizations.

[*English*]

I.D.B. ASSISTANCE IN PORTNEUF AND CHAMPLAIN CONSTITUENCIES

Question No. 706—**Mr. Godin:**

1. How many businesses in the constituencies of Portneuf and Champlain have received financial assistance from the Industrial Development Bank?

2. What are the industries that have received assistance?

3. What sums have they received?

Hon. Mitchell Sharp (Minister of Finance): 1, 2 and 3: The annual report of the Industrial Development Bank for the year ended September 30, 1966 contains information regarding the number and amount of loans by size, by province and by type of business. A further breakdown of the information is not a matter of public record.

SALES TAX ON FENCE TRANSFORMERS

Question No. 707—**Mr. Godin:**

Does the government intend to remove the 11 per cent sales tax on regulating devices (transformers) for electrical fences used by farmers?

Hon. Mitchell Sharp (Minister of Finance): This question concerns budget policy. If the government proposes any additional exemptions from sales tax it will be announced at the appropriate time.

UNEMPLOYMENT INSURANCE CLAIMS BY YUKON RESIDENTS

Question No. 722—**Mr. Nielsen:**

How many Yukon residents claimed unemployment insurance benefits for each of the months October, November and December in 1966 and for each of the months of January to October inclusive in 1967 through the office of the unemployment insurance commission in Prince George, British Columbia?

Hon. J. R. Nicholson (Minister of Labour): I am informed by the Unemployment Insurance Commission that no statistics are available with respect to the number of Yukon residents who claim unemployment insurance benefits through the commission's office at Prince George, British Columbia.

OLD AGE SECURITY PAYMENTS

Question No. 736—**Mr. Davis:**

In respect of old age security (a) how much was paid out to individual Canadians in 1966 (b) what is the estimated amount that would have been paid out had old age security been available at age 65 (c) what amounts were collected in 1966 from (i) 3 per cent tax on corporate incomes (ii) 3 per cent tax on sales (iii) 4 per cent tax on individual incomes?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): (a) $1,006,329,265; (b) $1,385,593,200; (c)(i) $152,800,000; (ii) $547,500,000; (iii) $539,000,000.

Hon. Michael Starr (Ontario): Mr. Speaker, I rise on a point of order. I wish to bring to the attention of the Acting Prime Minister that 181 questions are listed on the order paper of which 29 were answered today, leaving a total of 152. I raised this matter previously and asked the ministers to try to answer these questions as promptly as possible. However, no attention has been paid to my request, as is evidenced by the growing number of questions on the order paper. The last time I believe there were 135 questions; now there are 152. We are continuously being asked to put questions on the order paper. We do so in the hope we may get answers within a reasonable time. Therefore I ask the Acting Prime Minister if he would try to get some co-operation from the ministers in answering these questions.

Hon. Paul Martin (Acting Prime Minister): As my hon. friend has remarked, he has raised this question before. He will recall that in reply the Prime Minister pointed out that we were most anxious to co-operate and see that questions were answered as quickly as possible. When the Prime Minister made this reply he also observed that an analysis revealed the record of responses by this government to questions is very good.

Mr. R. R. Southam (Moose Mountain): I should like to protest very strongly the fact that question No. 426 standing in my name has been on the order paper for some two months. It is a straightforward question, and I can think of no reason why the government has not answered it long ago.

Inquiries of the Ministry

EXTERNAL AFFAIRS

REFERENCE TO EXCHANGE BETWEEN PRIME MINISTER AND PRESIDENT DE GAULLE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): I should like to ask the Acting Prime Minister about the public exchange of criticism between the Prime Minister of Canada and the president of France which took place earlier today. I think I may be permitted to say, quite apart from the merits or demerits of what was said on either side, that this is an extraordinary way to carry on international relations.

Mr. Speaker: Order. The hon. member should ask his question.

Mr. Fulton: My question is, could the Acting Prime Minister give the house any helpful information on the background and circumstances of this exchange, and in particular could he tell us whether the remarks of the Prime Minister preceded those of General de Gaulle, were contemporaneous, or were made subsequently, and was this exchange entirely accidental or was it in any way planned?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, my belief is that the speech made by the Prime Minister this morning in London when he received the freedom of the city was completely unrelated to the remarks made by the president during the course of a press conference. As a matter of fact I have been advised that when the Prime Minister was about to take his plane he was advised that observations had been made by the president of the French Republic. The Prime Minister's reply was that he would not make any comment until he had seen the text. My own examination of the Prime Minister's speech bears out the view that the two statements were completely unrelated.

While I am on my feet, I should like to answer another part of the question and this I shall do in French.

[*Translation*]

We have just received the first reports of the press conference given by the president of France. However, there seems to be certain doubts about his exact statement about Quebec.

Of course, before deciding, the government will have to consider carefully the statement of the president of the French Republic. But I can add even now that the government, in considering these texts, will keep in mind two main considerations: On the one hand, our traditional and steadfast friendship for France and, on the other hand, our obligation, as a government representing the whole country on the international level, to exercise our rights and to allow no interference in our domestic affairs.

[*English*]

Mr. Fulton: May I ask a supplementary question. Could the Acting Prime Minister obtain for the house an official text of the remarks made by our Prime Minister in London at the Mansion House luncheon, and could the Acting Prime Minister use the offices of the Department of External Affairs to obtain an official transcript from France of what the president of France said there so the two texts could then be made available to the house?

Mr. Martin (Essex East): I would be glad to do so.

CANADIAN CONSTITUTION

FEDERAL PARTICIPATION IN PROPOSED PROVINCIAL CONFERENCE

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, in view of the many significant discussions regarding the future of Canadian confederation which have taken place this past week end I should like to ask the Acting Prime Minister whether the government would be prepared to change its attitude, even at this late date, toward the Confederation of Tomorrow conference and send members of the cabinet to that conference, even if only as observers.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, as my hon. friend knows there are four observers at the conference. The matter referred to in my hon. friend's question has already been anticipated in an earlier reply of the Prime Minister.

Mr. Lewis: A supplementary question, Mr. Speaker. In view of the statement in the letter of the premier of Alberta, tabled a few days ago, rejecting the idea of a constitutional guarantee of the equality of language rights wherever practicable in Canada, would the Acting Prime Minister assure the house that the federal government will remain firm on this point at the projected federal-provincial conference?

Mr. Martin (Essex East): Mr. Speaker, as my hon. friend knows, federal-provincial conferences are not formally constituted

bodies. Those who participate do not vote, and there is no right of veto. We do propose, of course, to discuss basic issues and basic rights. Premier Manning's preliminary position represents his own point of view, but it seems to me it must be borne in mind that such views as he entertains may not be typical of those of the majority of English speaking Canadians, who I believe are prepared to take a more flexible attitude in order to promote the unity of Canada.

[*Translation*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, could the Acting Prime Minister tell us when the report of the Laurendeau-Dunton commission on bilingualism will be tabled and put at the disposal of hon. members?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I cannot give a definite answer, but the Prime Minister is expected back tonight. According to something I received last week, I am under the impression that it is quite likely that the commission will submit its report to the Prime Minister towards the end of this week perhaps, but I am not sure.

[*English*]

SHIPPING

MONTREAL—REQUEST FOR REPORT ON LABOUR DISPUTE

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct a question to the Minister of Labour. Can he report any progress toward a settlement of the port of Montreal dispute?

Hon. J. R. Nicholson (Minister of Labour): Unfortunately, Mr. Speaker, I cannot report any real progress. As I intimated in my remarks on Friday last, there is a serious question before the courts, in proceedings, which I had hoped might have been instituted some two weeks ago. The parties are now involved in litigation seeking an interpretation as to their rights. The judge who heard the application said he would deal with the matter with dispatch. When the judgment is known—today, tomorrow or whenever it is—the government will be watching the situation carefully, and we will be guided to some extent by the decision in that case.

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a supplementary question to the Minister of Labour. Is the government contemplating any direct action or initiative to bring these parties together and reach some understanding on their disagreement?

Mr. Nicholson: My department is constantly in touch with both sides and the situation is being followed closely. Should the situation warrant further direct action by me or by the government, it will be taken. We are certainly not contemplating any further action unless there is undue delay in the decision in the case that is now pending in the courts.

Mr. Starr: A further supplementary question, and I direct it to the parliamentary secretary to the Minister of Labour. Since the minister is reluctant to take action, and since I am aware of the keener appreciation of the parliamentary secretary of what is involved in this dispute—

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question in this way. I suggest that he is reviving the emergency debate which went on for many hours on Friday.

Mr. Starr: I am asking the parliamentary secretary to take all steps possible to bring the parties together.

Mr. Speaker: Order, please.

Mr. Turner: On a point of order, Mr. Speaker, with the greatest respect, when the minister is in the house a question having to do with the administration of his department quite properly ought to be directed to him.

Mr. Speaker: There is no question about this; I was merely waiting for the hon. member to complete asking his question. He knows that is so.

Mr. Starr: I rise on a point of order, Mr. Speaker. Am I to understand that the rules say no member may ask a parliamentary secretary a question if his minister is in the house? Is that correct?

Mr. Georges Valade (Sainte-Marie): May I direct a supplementary question to the Minister of Labour. Since Friday last has one of the parties in the dispute asked for the minister to intervene personally?

Mr. Nicholson: No, Mr. Speaker.

Inquiries of the Ministry

AGRICULTURE

FOOT AND MOUTH DISEASE—
ASSISTANCE TO U.K.

On the orders of the day:

Mr. Leonard Hopkins (Renfrew North): My question is for the Minister of Agriculture but in his absence may I direct it to the acting minister. Has the federal government any specific plans to assist the United Kingdom government in their efforts to clear up foot and mouth disease in that country? Clearing up the disease over there would help prevent the spread of that disease to Canada.

Mr. Speaker: Order, please. My recollection is that this question was asked last week.

FINANCE

REQUEST FOR DETAILS OF PROPOSED
REDUCTIONS IN ESTIMATES

On the orders of the day:

Hon. George Hees (Northumberland): My question is for the Minister of Finance. In view of the statement by the Dominion Bureau of Statistics over the week end that during the first seven months of the year federal government expenditures increased by 15 per cent over the same period last year, does the minister intend to announce to the house this week the reductions he intends to bring about in the estimates for 1967-68?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I shall be dealing with this year's expenditures as well as next year's in my statement on Thursday.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Is the minister in a position to assure the house that no supplementary estimates will be brought down this year save in respect of emergencies and errors, to which this government is susceptible? If he cannot give that assurance, can he advise us what will be the total amount of any estimates it is proposed to bring in by way of supplementary estimates for this year?

Mr. Sharp: Mr. Speaker, the further supplementary estimates will be brought down in due course. I can assure the house that the statement I made about our budgetary limitations this year will be observed, and that any supplementaries have already been taken into account in our estimates of expenditures.

[Mr. Nicholson.]

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON
PRESENT POSITION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): My question is directed to the Secretary of State for External Affairs. Has Greece as yet begun to reduce its armed forces in Cyprus? If so, by how much? At the same time may I ask whether Turkey has commenced to reduce its armed forces in the ports adjacent to Cyprus?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the question of reduction of forces and withdrawal of forces is the issue that is now being discussed, and until agreement is reached I cannot answer the question. My hon. friend will remember that on Friday last the security council reached a consensus that called on the parties to refrain from any action. Mr. Vance, the emissary of the president of the United States and Mr. Rolz-Bennet, the representative of the Secretary General, are now in the Mediterranean area discussing, in the capitals of Turkey and Greece, the matter involved in my hon. friend's question together with other questions which could bring about a settlement.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Since I gather from the remarks of the Secretary of State for External Affairs that no reduction of armed forces has yet taken place, may I direct my supplementary question to the Minister of National Defence. Has a decision as yet been reached about whether Canada will increase her armed forces under United Nations command in Cyprus?

Hon. Leo Cadieux (Minister of National Defence): We have had no request to do so, Mr. Speaker.

[*Later:*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is part of the normal rotation of the Canadian troops in Cyprus, which I believe should take place in December, being proceeded with, or in view of the situation on that island at the present time is this rotation being delayed?

Mr. Cadieux (Terrebonne): This rotation took place six weeks ago, Mr. Speaker.

INCOME TAX

REPRESENTATIONS RESPECTING DISABILITY PENSIONS AND ALLOWANCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address what might be considered a more or less philosophical question to the Minister of Finance. Urgency is attached to it, inasmuch as more than 172,000 war veterans disability pensioners are now on tenterhooks, and this information is now required in connection with several forthcoming national conventions.

Has the minister or members of the government received representations from the Royal Canadian Legion or other veterans organizations which outline their views with respect to the principles of income taxation as related to disability pensions and allowances? If so, what was the government's response to these representations?

Hon. Mitchell Sharp (Minister of Finance): We have received representations such as the hon. gentleman has referred to, and I can assure him that these representations will certainly be given the most sympathetic consideration.

TRANSPORT

REQUEST FOR STATEMENT ON FERRY SERVICE, SAINT JOHN, N.B.-DIGBY, N.S.

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Transport, whom I should like to welcome back on his safe return from his trip to the maritimes over the week end. I should like to ask the minister where we stand now on this question of the Digby-Saint John ferry. Are we to take it, from his very disappointing statement, that this is now to be left to the Canadian Pacific Railway?

Hon. Paul Hellyer (Minister of Transport): We are two days closer to a solution than we were on Saturday, Mr. Speaker.

Mr. Bell (Saint John-Albert): Can the minister indicate a time limit, bearing in mind that his predecessor gave many time limits, all of which were passed by?

Mr. Hellyer: I will say this; from conversations in Saint John I understand that this was also true of previous governments. As an experienced politician I am sure the hon. member will agree with me when I say it is better to pursue a matter diligently than to set a date which we might not be able to meet by a few days.

REQUEST FOR COMMITTEE CONSIDERATION OF REPORT ON ATLANTIC PROBLEMS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): My question too is addressed to the Minister of Transport. Is it the intention of the minister to refer the special study on transportation in the Atlantic provinces to the committee on transportation and have that committee hold public hearings in the Atlantic provinces, so that all problems related to transportation might be considered on site as was done by the committee in western Canada recently?

Hon. Paul Hellyer (Minister of Transport): This is a comprehensive policy question and I will take it under advisement.

[*Later:*]

Mr. Coates: Mr. Speaker, I have a further question for the Minister of Transport. Did the minister have an opportunity to meet with the Atlantic premiers in Toronto over the week end to discuss transportation problems? If not, when does the minister intend to meet with the premiers, as was promised by Premier Robichaud at a meeting which I attended recently in Halifax?

Mr. Hellyer: I was not able during the week end to meet with them, but I shall be glad to do so at their convenience. I think we can work out a mutually agreeable arrangement.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, this question arises from the answer given by the Minister of Transport. When the minister was asked whether the transportation committee would conduct meetings in the maritimes his reply was that this was a very comprehensive question. What is the difference between the transportation committee conducting meetings on the east coast or the west coast?

Mr. Speaker: Order. The hon. member will recognize himself that the question is argumentative.

Mr. Coates: Mr. Speaker, I should like to ask a supplementary question. Would the minister check the remarks made by the former minister of transport during the debate in the house, when he promised members from the Atlantic provinces—

Mr. Speaker: Order, please.

Inquiries of the Ministry

VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN PENSIONS AND DISABILITY ALLOWANCES

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question to ask the Minister of Veterans Affairs. Bearing in mind the approach of the Christmas season, can the minister now say when we may expect legislation to increase veterans allowances and disability pensions?

Hon. Roger Teillet (Minister of Veterans Affairs): I am not at present in a position to answer that question directly.

[*Translation*]

SHIPPING

SAGUENAY RIVIER—INQUIRY AS TO WINTER NAVIGATION

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, on November 17 last I put a question to the Minister of Transport which could be summarized as follows: Can the minister confirm whether there will be winter navigation on the Saguenay river? If so, will his department provide icebreaker service to keep the channel open on the river this winter?

[*English*]

Hon. Paul Hellyer (Minister of Transport): What we did last year, as I understand it, was to make some probes into the river to determine the feasibility of maintaining navigation. The proposal is to repeat the process this year in order to gain additional information. It would be the intention of the department to attempt these probes at a time when the operation might be most beneficial to the ships which would like to use these waters during the winter months. There seems to be insufficient traffic at the moment to require that continuous icebreaking facilities be made available. However, we shall certainly pursue the investigations which were begun last year, and try to do so in a manner which would be of the greatest assistance to any shippers who would like to use the river ports.

Mr. Raymond Langlois (Mégantic): As a supplementary question arising out of the minister's answer, Mr. Speaker, does he or the government think if this waterway were kept open throughout the winter there would be a gradual pickup in new traffic using it?

[Mr. Speaker.]

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

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to ask a supplementary question.

Could the Minister of Transport tell the house whether his department has determined the costs involved to keep Montreal harbour open and permit navigation on the St. Lawrence throughout the year?

[*English*]

Mr. Hellyer: I could not say, Mr. Speaker, but as my hon. friend knows additional icebreaking facilities are being built to prevent flooding on the St. Lawrence river. This also will tend to keep the channel more open than previously for shippers who desire to use those facilities during the winter months.

Mr. Valade: As a further supplementary question, would the minister consider informing the house that such a study would be to the advantage of the people in general, to see what is the difference between the cost for icebreaking—

[*Translation*]

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

[*English*]

AGRICULTURE

EFFECT OF CURRENCY DEVALUATION ON EXPORTS TO U.K.

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, in the absence of the Minister of Trade and Commerce I would like to ask the Acting Prime Minister what action the government is taking to safeguard Canada's competitive position in the British market in light of the fact that a number of our competitors, especially those supplying agricultural products, have improved their competitive position relative to Canada's by devaluing their currencies.

Hon. Paul Martin (Acting Prime Minister): I am sure, Mr. Speaker, that my hon. friend with his great experience would agree that this is a question of which I should take notice.

NATIONAL DEFENCE

LA SALLE, QUE.—LAY-OFFS AT NAVAL DEPOT

On the orders of the day:

Mr. Raymond Rock (Jacques-Cartier-Lasalle): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is the Department of National Defence laying off employees at the naval depot situated in the city of La Salle, giving only two day's notice to its employees'. If so, is this the department's normal procedure with respect to such notice?

Mr. Speaker: Order. The hon. member has made a representation to the government which I am sure has been noted.

[*Later:*]

Mr. Rock: Mr. Speaker, I have a question for the Minister of Labour. Since the railway employees receive two weeks notice before lay-offs, does he not feel that defence employees should receive equal treatment?

Mr. Speaker: Order. I suggest to the hon. member that the question is argumentative.

OLD AGE SECURITY

INQUIRY AS TO LEGISLATION RESPECTING SUPPLEMENTAL PAYMENTS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare and ask him whether the government is contemplating introducing amendments during the current session of parliament to correct the injustice which occurs through old age pensioners' supplementary payments, in respect of changes in their income status during the current year.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, we have under consideration within the department certain changes that might be made to improve the administration of the guaranteed income supplement. I cannot say with certainty when it will be possible to bring in these amendments, but I doubt very much whether it will be possible this session.

Mr. Starr: As a supplementary question, in planning these amendments is the minister contemplating making their effect retroactive in order to correct the situation?

Mr. MacEachen: Mr. Speaker, all aspects of the matter will be given consideration, including retroactivity.

Inquiries of the Ministry

REQUEST THAT DECEMBER CHEQUES BE ISSUED BEFORE CHRISTMAS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put this question to the Minister of National Health and Welfare while there is yet time for him to do something about the matter. Would it be possible for the December old age security pension cheques to be sent out to our old age pensioners so they might receive them a few days before Christmas rather than a few days afterward?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, this question comes up almost every year. It has been the policy of the department not to make any change in the date for sending out these cheques for the reason that if the cheques were sent out before Christmas, as many of us would like, there would be a considerably longer gap between those cheques and the following ones, and most pensioners are accustomed to budget on a particular time schedule. This particular gesture, I think, might be more harmful than helpful.

Mr. Knowles: As a supplementary question, how did the minister make out when he spoke to the Minister of Finance about the possibility of a Christmas bonus?

Mr. Speaker: Order, please. The hon. member for Humboldt-Melfort-Tisdale.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. Has he consulted with the Minister of Finance with regard to a centennial bonus of $100 for each of our senior citizens?

Mr. Speaker: Order, please. I would not think the question is very urgent. In any event it was asked previously by the hon. member.

Mr. Knowles: But it wasn't answered.

Mr. Nasserden: Mr. Speaker, I point out that when I originally asked this question the minister said he would consult with the Minister of Finance. I would now like to know whether he has consulted with the Minister of Finance, and what is the result?

Mr. Speaker: Order, please. If the hon. member thinks there is urgency to the matter he might give notice that the question be debated at the time of adjournment.

Inquiries of the Ministry

TRADE

WHEAT—REPORTED REDUCTION IN EXPORTS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce, but since he is not in the house I shall direct it to the Acting Prime Minister. It has to do with a very serious problem, namely the export of wheat. During the first two months of the last crop year there were 116 million bushels of wheat exported. This year only 52 million bushels have been exported. Would the minister look into this serious problem and see to it that the farmers are able to export more wheat in order to pay their expenses?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it is some time since my hon. friend and I were jointly associated in the active pursuit of the welfare of the agricultural community. The question my hon. friend asks gives me an opportunity to say that perhaps no administration has been more active in this regard than the present one.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO IMPLEMENTATION OF FREEDMAN REPORT RECOMMENDATIONS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the rapid reduction of skilled staff on the railways, such as telegraphers, and the hardships being created by lay-offs as the result of automation and technological change, will the government in the near future be bringing forward legislation to implement the recommendations of the Freedman commission?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, no legislation is contemplated for introduction at this session to implement any such recommendations.

HEALTH AND WELFARE

MEDICARE—POSSIBLE POSTPONEMENT OF INTRODUCTION

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a question to the Minister of Finance. Due to the fact that there is some apprehension in the country over the imminent increase in taxes, can the minister tell the house whether medicare will be delayed beyond the date set for it to become operable?

[Mr. Speaker.]

Mr. Speaker: Order, please. I am afraid this question was asked many times last week.

Mr. Muir (Lisgar): It has never been answered.

UNITED NATIONS

CANADIAN POSITION AS TO ADMISSION OF RED CHINA

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I want to address to the Acting Prime Minister in his capacity as Secretary of State for External Affairs, or maybe I should address it to the Secretary of State for External Affairs in his capacity as Acting Prime Minister. Having in mind the move which I understand has been made by France at the United Nations, calling for the United Nations to oust nationalist China and seat the People's Republic of China, what is Canada's position on this issue?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, Canada's position is that we believe mainland China should be seated in the United Nations. We also believe that Formosa should continue to be a member of that organization, and for that reason we will abstain on a resolution that seeks both to seat mainland China and to expel Formosa. The only way which we can give legitimate expression to our one China-one Formosa policy is in the manner we followed last year.

Mr. David MacDonald (Prince): As a supplementary question, in view of the remarks made from time to time by the Secretary of State for External Affairs in supporting this one China-one Formosa policy as expressed a moment ago, will the Canadian delegation be presenting its own resolution to the United Nations this fall?

Mr. Martin (Essex East): Mr. Speaker, I have stated what our position is and what procedure we intend to follow.

Mr. W. B. Nesbitt (Oxford): As a further supplementary question, is it the intention of Canada to support this year's Albanian resolution at the United Nations?

Mr. Martin (Essex East): No, Mr. Speaker, I said we would abstain.

MANPOWER

REPORTED BREAKDOWN IN RETRAINING PROGRAM

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, but in his absence I should like to direct it to the Acting Prime Minister. In view of the serious breakdown in the government's manpower retraining program as reported in today's *Globe and Mail*, what steps does the government intend to take to rectify this situation?

Mr. Speaker: Order. I suggest to the hon. member that his question is much too wide and should not be asked in this form at this time.

AGRICULTURE

REQUEST FOR COMMITTEE CONSIDERATION OF P.F.R.A. AND ARDA

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Minister of National Health and Welfare in his capacity as house leader. A few days ago I asked him whether he would consult with the other members of the government and bring forward to the agriculture committee the recent report of the Economic Council of Canada on the economic impact of ARDA, P.F.R.A. and M.M.R.A. Is the minister now in a position to report to the house in respect of what action has been taken?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the matter of a reference to the committee is one for the respective ministers, the Minister of Agriculture and the Minister of Forestry and Rural Development, in consultation with the chairman of the committee. I have begun this process of consultation to determine whether there is any desirability of making a reference to the standing committee on agriculture, forestry and rural development. If so I would be quite happy to do my part.

Mr. MacDonald (Prince): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the fact that the Economic Council of Canada reports to the Minister of Finance, and in view of the fact that he has now received a copy of this report, will the minister table this report in the house in order to facilitate its reference to the appropriate committee?

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the question of the hon. gentleman is based on a false assumption. The Economic Council of Canada does not report to me.

[*Later:*]

Mr. MacDonald (Prince): Mr. Speaker, a few moments ago the Minister of Finance was good enough to remind me it is the Minister of National Revenue who is responsible for the Economic Council of Canada. Since I believe he is waiting to answer my question as to whether he will table this report in the house in order to facilitate its reference to the appropriate committee, perhaps he might be given an opportunity to do so at this time.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): It is a wrong guess again. The Economic Council of Canada reports to the Prime Minister.

HARBOURS

BRITISH COLUMBIA—DEVELOPMENT OF PORT AT ROBERTS BANK

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Minister of Transport. It is based on a news report which appeared in a west coast paper recently. I should like to ask the minister whether any negotiations are being carried on between the federal government and the province of British Columbia regarding the development of a super port at Roberts bank on the west coast.

Mr. Speaker: Order. The question should be placed on the order paper.

FREIGHT RATES

CREAM—INQUIRY AS TO APPLICATION OF NEW RATES

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Transport. Earlier the minister indicated that there is a postponement until December 5 of the new rates applicable to the shipment of cream by rail. Will the railways now be permitted to implement these new rates on December 5, or are there further developments in the matter?

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of Transport): There has been a further postponement, Mr. Speaker, in order to give interested parties an opportunity to get together to discuss the situation further.

Mr. Korchinski: Mr. Speaker, I have a supplementary question. Could the minister indicate for how long the further postponement is?

Mr. Hellyer: Yes, Mr. Speaker. I am informed it is for 60 days from December 5.

POLLUTION

INQUIRY AS TO PREPARATION OF NATIONAL ACT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I should like to ask the minister whether we are any closer to having a national clean air act for Canada than we were when we discussed this matter in the house a month ago.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker. Recently the whole question of pollution was dealt with at a meeting of the dominion council of health, which is composed of representatives of all the provinces. At this meeting considerable progress was made in outlining what could be an appropriate federal role in this whole field. This role is very close to the point of view I had expressed in the house. This has been very helpful, and at the present time we are preparing further material in the department for consideration by the government.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): I have a supplementary question, Mr. Speaker. I should like to ask the Minister of National Health and Welfare whether he would refer this matter to the appropriate committee of the House of Commons, as well as Bill No. C-25, an act to control air pollution, standing in my name.

Mr. MacEachen: Mr. Speaker, the relevant standing committee is the standing committee on health and welfare. At present this committee is fully occupied with consideration of another important subject matter. Following that we are considering having the matter of cigarette advertising sent to that committee. In view of these circumstances it might not be helpful at this time to send the subject matter of pollution to this committee, but I assure my hon. friend that action is being taken and consideration is being given along the lines of my answer.

NATIONAL PARKS

REQUEST FOR LEGAL DECISION RESPECTING LEASEHOLD QUESTION

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the chairman of the committee on northern affairs and national resources. Would the chairman convene the committee to consider the entirely reasonable request from the western parks to have the leasehold question referred by the government to the courts for adjudication?

Mr. Hubert Badanai (Fort William): Mr. Speaker, I shall be very pleased to call a meeting of the committee, but we must have the authority of the house first. No business has been referred to the committee as yet.

BUSINESS OF THE HOUSE

REQUEST FOR JOINT MEETING OF EXTERNAL AFFAIRS AND DEFENCE COMMITTEES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is for the Minister of National Defence. In view of the statement last week by the minister that he had discussed with the Secretary of State for External Affairs the advisability of holding a joint meeting of the two House of Commons committees, the committee on national defence and the committee on external affairs, may I ask whether there is now any possibility that this joint meeting will be held before the Christmas recess in order to discuss NATO and NORAD problems.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I understand that this matter is now being taken up by the chairmen of the committees.

TRADE

TOBACCO—POSSIBLE INCREASED IMPORTS FROM SOUTH AFRICA AND RHODESIA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Acting Minister of

Trade and Commerce. Will the devaluation of the British pound accelerate the recent sharp increase in the importation of flue cured tobacco from South Africa and Rhodesia?

Mr. Speaker: Order. I suggest that this is the type of information which should be given to the house at the time of motions by way of a general statement.

HOUSING

MONTREAL—AVAILABILITY OF HABITAT '67 AT EXPO SITE

On the orders of the day:

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Labour. Since there is a certain shortage of housing in Montreal, and since Habitat '67 is almost completely vacant, will the minister state whether C.M.H.C. intend to take over Habitat '67 or whether they would consider making it available to low and middle income families at least on a part time basis?

Hon. J. R. Nicholson (Minister of Labour): I would have to take the question as notice, Mr. Speaker.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct this question to the Minister of Labour. Is the minister now in a position to say whether legislation will be presented at this session to provide for raising the ceiling and increasing the benefit rates under the Unemployment Insurance Act?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I have said several times that it has been my hope that such legislation would be introduced this year. In view of the progress we have made with the legislative timetable it looks extremely doubtful that we will be able to deal with it before Christmas.

Mr. Knowles: A supplementary question, Mr. Speaker. Could the legislation not be put on the order paper, even if it cannot be reached in the house?

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

OTTAWA—INQUIRY AS TO CONSTRUCTION TENDERS

On the orders of the day:

Mr. Desmond Code (Lanark): Mr. Speaker, I should like to address a question to the Minister of Transport and ask whether Canadian National Railways have entered into the construction business; and are they given special consideration when they tender on certain jobs here in the city of Ottawa?

Mr. Speaker: Order, please. This somewhat mysterious question might be placed on the order paper.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I would like to address a question to the Solicitor General or the Minister of Justice, or in their absence anybody in the cabinet who can might answer it. Since Reginald John Colpitts, who killed a penitentiary guard in Dorchester, New Brunswick, has hanged himself in the British Columbia penitentiary, I would like to ask this question. Had he completed his rehabilitation course, or had he just heard the murderers of prison guards might be hanged in the future?

Mr. Speaker: Order, please.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I should like to direct my question to the Minister of National Health and Welfare and ask whether he would confer with his counterpart in France, and request that the president of France be committed to an institution before he further damages international relations.

Mr. Speaker: Order, please. The hon. member's comments are unparliamentary. If the hon. member will consult our precedents and rules he will know that it is not in order to comment upon or refer to the head of a friendly state in that type of language.

INDUSTRY

COPPER—PRICE INCREASE BY NORANDA COMPANY

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for

the Registrar General. I should like to ask whether he had referred to him the question I asked last Friday; and if so, is the minister prepared to answer it now?

Hon. John N. Turner (Registrar General): Mr. Speaker, in view of the position already taken by the Minister of Finance I think the question should properly be directed to him.

Mr. Cameron (Nanaimo-Cowichan-The Islands): May I ask a supplementary question, Mr. Speaker. On Friday last I asked whether the minister would consider recalling the committee on consumer prices in order that the effect on the whole economy of these increases in the price of copper could be investigated by that committee. My question did not refer merely to the price of copper. Is the minister in a position to do that now?

Mr. Turner: Mr. Speaker, I am on record as being in favour of having that committee reconvened. With regard to the terms of reference, I am currently discussing them with the two co-chairmen and the Prime Minister.

CORPORATE AND CONSUMER AFFAIRS

PROVISION FOR ESTABLISHMENT OF DEPARTMENT, APPOINTMENT OF PERSONNEL, ETC.

The house resumed, from Friday, November 17, consideration in committee of Bill No. C-161, to establish a department of corporate and consumer affairs—Mr. Turner—Mr. Batten in the chair.

The Chairman: Order. House again in committee of the whole on Bill No. C-161, to establish a department of corporate and consumer affairs. When the committee rose on Friday, November 17, clause 6 of the bill was under consideration. On that day the Chair was given notice of four amendments to clause 6 of the bill. The first amendment was by the hon. member for Yukon.

On clause 6—*Duties re consumer affairs.*

Mr. Baldwin: Mr. Chairman, I have reread what happened on Friday, November 17—

Mr. Knowles: Mr. Chairman, may I interrupt on a point of order just to have a matter made clear. When these various amendments were suggested a week ago Friday, I raised the question whether it would be possible for us to make amendments to subclause 1 after subclause 2 had been dealt with. We are quite prepared for subclause 2 to be dealt with first provided our rights are protected. Is that the understanding of the Chair?

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Baldwin: Mr. Chairman, on the point of order, our standing orders provide that there shall be clause by clause consideration of a bill in committee of the whole. We are now engaged in discussing and dealing with clause 6 of the bill. I assume, therefore, we can deal with any part of clause 6 and amend any part of it.

The amendment put forward by the hon. member for Yukon, which I propose to move now if it is necessary to move it formally, is one that to some extent deals with matters raised in amendments put forward by other hon. members. I suggest that we deal with them all at the same time. I suggest that we deal with clause 6, subclauses 1 and 2, and when the Chair comes to put the amendments I assume those to subclause 1 will be put first followed by the amendment to subclause 2. I assume there will be no objection to this course being followed if the Chair feels so disposed.

The Chairman: Order. I think it is the usual practice to consider the clause before the committee as one question. At the moment there is just one question before the committee, which is clause 6 of the bill. The amendment proposed by the hon. member for Yukon was in respect of subclause 2 of clause 6. There would be no objection by the Chair to having that amendment considered. On the other hand, if it is the wish of the committee to proceed subclause by subclause, that is a matter for the committee to decide. However, I should point out that if the amendment which is to be proposed by the hon. member for Peace River were carried it might necessitate a redrafting of the amendments proposed by other hon. members.

Mr. Knowles: That is quite satisfactory, Mr. Chairman. We are not asking to deal with subclause 1 before we deal with subclause 2. We just want to make sure that we still have the right to deal with subclause 1 provided the situation is not altered by the adoption of the proposed amendment to subclause 2.

Mr. Turner: On the same point of order, Mr. Chairman, we intend to argue the admissibility of two of the four amendments. Those two amendments relate to subclause 1. I refer to the one having to do with a prices review board and the other having to do with a corporation empowered to deal with drugs. I leave it to the discretion of the Chair, but I want to reserve my right to argue the admissibility of those amendments when they are put before us.

Mr. Knowles: That is par for the course.

The Chairman: Order. I would suggest to the committee that we deal with the amendment proposed by the hon. member for Peace River. If hon. members wish to make a contribution regarding the validity of these amendments, perhaps we should have those contributions in the order in which the amendments are placed before the committee.

Mr. Baldwin: In that event, Mr. Chairman, I shall restrict my remarks to the amendment put forward by the hon. member for Yukon which I assume I must now formally move. I would call the attention of the Chair to the fact that the amendment was not actually put. Is it the view of the Chair that this should be done now or should I wait until the conclusion of my remarks? I want to make sure that the amendment is in fact put. This comment was made by the Chairman with regard to the matter, as recorded on page 4428 of *Hansard*:

• (3:30 p.m.)

Perhaps I should point out to the committee that the suggested amendment by the hon. member for Yukon has been read but has not been officially put by the Chair.

I move this particular amendment now.

The Chairman: Order, please. The amendment as moved by the hon. member for Yukon was read by the Chair. If the hon. member wishes me to put it formally now, I shall do so. It was moved by the hon. member for Yukon:

That subclause (2) of clause 6 of Bill C-161 be amended by deleting the said clause and substituting in its place the following:

Shall I dispense?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Chairman, the agreement which we have made will make it simpler for me to deal with this matter now. I do not intend to address any of my remarks to the amendments moved by members of the New Democratic party. I will wait until they are dealt with by the Registrar General. With respect to the amendment moved by the hon. member for Yukon, I think the arguments in its favour have been well put. I will simply summarize them and leave the matter there in view of the length of time which has already been taken in dealing with this measure.

It is the view of this party that this bill is innocuous, that there is no need for it to be brought forward, that all the powers which are purported to be given to the minister and the government are contained in other legislative proposals, that it is merely window-dressing and that it will simply serve as a peg upon which will be hung excessive expenditures. But in order to try to make something out of the bill, an amendment was moved by the hon. member for Yukon. It provides that the minister will have the right not only to engage in research but also in investigation.

Particular reference is made to price increases. It is our view that the primary interest of the consumers lies in the increases in prices which have taken place all across the country. We doubt very much that the federal government has sufficient authority in this regard, and we have made this plain during the course of speeches we have already made. It is our view that the government laboured mightily to produce a misshapen, distorted and twisted mouse with its head where the tail should be and its tail where the head should be. The hon. member for Essex West attempted to reform that distortion by an amendment which put consumer affairs at the head and corporate affairs at the tail. However, this did not have more appeal to us so far as the bill is concerned. We are simply asking that the minister pursue the right of investigation in order to try to determine to what extent the federal government may be able to help the sorely pressed consumer at the present time.

We have made particular reference to price increases in our amendment and in the concluding part have suggested that the minister should report to parliament with his recommendations with regard to this matter. We feel that the government is insinuating through this measure that it may be able to work its way into fields in which it has no jurisdiction.

The problem of fraud has been mentioned. Every sale of an article is a question of civil rights. Every province has legislation dealing with the sale of goods and every province has statutes dealing with fraud. Unless these frauds amount to criminal acts they lie exclusively in the jurisdiction of the provincial governments. Restrictive trade practices lie exclusively within the jurisdiction of the federal government. Consumer credit is exclusively within the jurisdiction of the provincial governments and advertising, unless it is of a misleading nature, can be the subject of criminal proceedings. Unless the government is prepared to declare that certain acts are criminal in their nature and will provide penalties for them, it has no jurisdiction in that field.

Under this amendment we propose that the government examine this issue to see to what extent it can, within the framework of the legislation and of clause 6 of the bill, discover whether there is any possibility in conjunction with the provinces of dealing with the very serious problem of price increases. We recognize that the problem of price increases lies within the jurisdiction of the Minister of Finance and not within that of the Registrar General. As a result of a motion made not so long ago by the Leader of the Opposition we are forbidden to comment on the bad management of the government which has brought about price increases. It was obvious by the vote which was taken at the time that the majority of the supporters of the government, including the Registrar General, accept the fact that the government has managed the finances of this country in a most efficient, economic and careful way and that if price increases have taken place it is someone else's fault and not that of the government.

This being the case, I cannot touch on that matter, but I can say that with the spiral of inflationary price increases which is going on, both because of the government's actions as well as in spite of them, people may take advantage of the situation to establish wage and price increases which are not consistent with the requirements of the time. This may be an area where the government, after suitable investigation in the closest co-operation with the provincial governments, might delegate to some board sufficient responsibility to deal with this issue in cases where there have been glaring and flagrant abuses leading to an inflationary spiral of costs of goods, services and wages.

We move this amendment with that in mind. If the government really intends to do something, then I suggest that the minister can well lend his support to the amendment, and I ask members of the committee to support it.

Mr. Turner: Mr. Chairman, we have looked at this amendment with the care which its author indicated it deserves. I want to say at the outset that we reject completely the initial remarks of the hon. member for Peace River which were of course merely an echo of those made by his colleague, the hon. member for Yukon, when he presented the case of the official opposition at the second reading stage, namely, that the department will have no teeth.

I said in closing the debate on second reading—and with your consent, sir, I think I should answer the argument advanced again today—that this bill does not set forth the entire consumer program of the government. It does not elaborate or describe the powers which will be made available to the department to enforce a consumer program. It empowers the minister and the department to protect consumer interests. It empowers the minister and the department to initiate new measures having to do with consumer interests. The teeth are already in legislation on the statute books of Canada, and this legislation spans the authority of several government departments. The purpose of this bill is to co-ordinate government policy which affects the consumer, to render this legislation more enforceable, to ensure that enforcement is applied on a more uniform basis and to ensure that the legislation is observed and enforced from the point of view of the consumer.

• (3:40 p.m.)

There is a good deal of legislation already on the books, Mr. Chairman. I mention section 306 of the Criminal Code relating to misleading advertising, section 33 (c) of the Combines Investigation Act involving the same subject, and the food and drug regulations. There are the series of measures relating to the misleading description of agricultural and fisheries products and legislation under the Canada Corporations Act relating to the disclosure to the public of information in the hands of financial institutions. This and other legislation which we would propose as the department assumes its authority will constitute the teeth in favour of the consumer in so far as this bill is concerned.

This bill gives the department the muscle to exercise and to clamp down with those teeth. So any argument suggesting that the bill does not contain teeth flows from a misreading of the nature of the bill and what it is attempting to do, namely, to co-ordinate and enforce on a uniform basis the existing legislation on the books and give it a perspective, an orientation which is, primarily, the protection of the Canadian consumer.

Turning to the wording of the amendment itself, I may say that what the amendment purports to do is add the power of investigation to clause 6, subclause (2) concerning the power of research. I suggest that what the amendment purports to do, if accepted by this committee, is completely illusory. The minister already has the power of investigation under the provisions of clause 5 of the bill relating to combines and bankruptcy. These powers of investigation are found

within the Bankruptcy Act and the Combines Investigation Act. The difficulty here is that this clause would attempt to add new powers of investigation without in any way indicating how these powers would be co-ordinated with the powers that already exist.

I want to say as well that the great difficulty with this amendment is that it purports to give the power of investigation without in reality conferring any power to investigate because any power to investigate should provide the terms of reference and the consequences of such an investigation. Where is the power to compel witnesses? Where is the power to limit the nature and extent of the investigation or inquiry? Where are the limits placed upon the invasion of private rights? In every statute setting forth specific powers of investigation, the limits of the investigation are carefully set forth. Thus, in section 3(a) of the Bankruptcy Act the powers are indicated in clear terms relating to the conduct, dealings and transactions of the bankrupt concerned, the causes of the bankruptcy and the disposition of the property. The powers of inquiry are specifically set forth in that section. There are no powers contemplated in this amendment to implement the investigation.

In the Combines Investigation Act section 8 gives the director of research and investigation power of inquiry but the limits of that inquiry are carefully set forth in part V of that statute as the subject matter of the investigation—offences in relation to trade, conspiracy, mergers and monopolies, price fixing, resale price maintenance, refusal to sell or supply goods. In other words, the terms of reference protect the subject from undue encroachment by anyone launching an inquiry. I want to suggest to the committee in the strongest terms that this amendment is toothless because while it sets forth an assumed power of investigation, in fact it confers no power upon the minister at all, no power to compel witnesses, no power to compel attendance, no power to compel the production of documents. On the other side, and even more important, it does not set limits on the terms of reference which would protect the individual from undue encroachment by an inquiry.

I want to say that when we were discussing this bill amongst ourselves we discussed whether or not it should have a power of inquiry. One of the difficult aspects was how to limit that power of inquiry in strict terms of reference, how to define the subject matter over which the inquiry would be conducted without invading severely the rights of people and institutions to resist an inquiry that might be an unwarranted encroachment upon those rights by one minister granted this power within a statute. I want to say that the power of inquiry already exists in the government under the Inquiries Act, and should matters arise of sufficient importance in the opinion of the government to cause such an inquiry to be launched, then the government would do that. However, one must be very careful, I submit to the committee, how one confers the power of inquiry upon a single minister, and it should be done only under a provision which carefully restricts and defines the terms of reference.

Another point of disturbance was the constitutional limitation of such an inquiry power. The hon. member for Peace River quite properly outlined to the committee some areas that lie within provincial jurisdiction and some areas that are shared between the federal and provincial authorities. The consumer interest is shared by both federal and provincial authorities. The purpose of this bill is to confer upon one minister the authority to co-ordinate federal policy relating to consumer interests with those authorities having the same jurisdiction within provincial governments. I want to say that an unlimited power of investigation might well provoke constitutional problems. If a minister were unilaterally to embark upon an inquiry which transgressed upon the constitutional field of the provinces, and this amendment makes no reference to limiting the scope of an inquiry, this might well involve challenges in the courts.

In rejecting this amendment, therefore, I want to say that we have not yet fully explored the scope of the existing legislation or its administration and if it should happen, after we become more aware of the responsibilities conferred upon this department, that a specific inquiry power should be lodged in one minister, at that time we would come back to parliament to ask for it. However, we would ask for it in terms that would give the minister power to investigate, power to compel attendance, power to produce documents, power to swear witnesses, and even more important from a civil rights point of view, with definite limits to the scope of the power of inquiry.

Our primary objection, then, to this amendment is that it tends to give the department or the minister the illusion of having an investigatory power, because it uses the word "investigation", without the

authority to implement that power. If "investigation" is to have the same meaning as "research", then the addition of the word is unnecessary. But if the word "investigation" is to have the meaning of the word "inquiry", then it is insufficiently defined either in terms of supplementing that power with statutory authority or, more importantly, from the point of view of limiting that power as it relates to the civil rights of citizens. Therefore, Mr. Chairman, we would have to reject the amendment.

• (3:50 p.m.)

Mr. Baldwin: Mr. Chairman, I have just one comment to make. The minister has referred to illusions. I do not think one more illusion would hurt the bill because it is full of illusions. I would point out that the wording of the amendment is:

> For the purpose of carrying out his duties and functions under this act, the minister may undertake research and investigation into matters to which the powers, duties and functions of the minister extend—

The wording of the amendment follows the same wording the minister has in the bill. Clause 5 says:

> The duties, powers and functions of the minister extend to and include all matters over which the parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency—

Therefore, Mr. Chairman, the wording of the amendment follows that of the bill. We contend that the power the minister has, which is limited to the matters that are his by jurisdiction and by law and are within the limits of the parliament of Canada, shall simply include the power of investigation.

Mr. Turner: Mr. Chairman, I can see there is a half-hearted response on the part of my hon. friend from Peace River, but the basis of our objection is that this would constitute misrepresentation to the consumer. If "investigation" were equivalent to "research", then its inclusion would add nothing. "Investigation" might give the people of Canada the idea that the minister had the power of inquiry, and there is no such power in the bill or the amendment.

Mr. Saltsman: Mr. Chairman, I am rather disappointed at the minister's reply and his comments on the amendment. I appreciate the difficulty he raises regarding powers that are not spelled out. I had hoped that in the spirit of trying to get all-party agreement on a department of consumer affairs he would have made some effort to acknowledge that this is a good principle, that it is advisable to adopt it, and that he would consider the amendment if the powers were more specifically spelled out. But simply to say that the amendment confers no powers though the idea has some merit is not a suitable answer.

The minister's interest and concern in the field of advertising are well known and we have been watching to see what the minister's attitude would be as hon. members introduced these amendments attempting to put more teeth into the legislation. We have been waiting to see whether he would accept them in order to implement the purpose he has expressed in some of his speeches.

I should like to thank the minister for sending me a copy of his speech at the annual general meeting of the Institute of Canadian Advertising on September 22 last and I should like to read an excerpt. The minister had this to say:

> We intend to analyse the advertising process and its effect upon the economy and consumer. We intend to pursue the question of the role of advertising in Canada. What I say today are some tentative and preliminary ideas—

That is fine, Mr. Chairman; the minister has not committed himself too far. But what I want to know is, does he intend to do anything about these ideas? The minister goes on to say:

> The power of advertising is undisputed. But power must be balanced by responsibility.

How does the minister intend to effect this responsibility? How does he intend to ensure that advertising will be responsible when he is not willing to put powers of that type into this legislation? I would have expected that he would be the first to insist that the legislation have as many powers as possible so as to assist him in the work he has indicated he wants to do.

There is a disappointment with this legislation, Mr. Chairman, but not for the reason given by the minister. In effect, what the amendment moved by the hon. member for Yukon tries to do is to set up what is essentially a prices review board but in an emasculated form. I hope that when our amendment to establish a prices review board is brought forward the government will have the courage to go all the way and set up a board which will offer reasonable prospects of accomplishing some of the objectives that are listed in this amendment.

We intend to support the principle of a prices review board as it relates to research and investigation at every available opportunity during the course of this debate and

for that reason, Mr. Chairman, we will support the amendment.

Mr. Dinsdale: Mr. Chairman, I want to comment briefly on the statement of the minister with reference to the amendment that is before the committee. I have not taken part in the discussion up to the present time but I agree heartily with the spokesmen of this party who in their various statements have suggested that the legislation we are considering at the moment is what one might call a snare and a delusion. It presents a proposition to the house, and through the house to the people of Canada, that something effective is going to be done in the interest of consumer affairs. Yet, Mr. Chairman, as we examine the legislation we discover it does not include any powers that make it possible to deal effectively with the consumers' problems that have become increasingly obvious across the nation, particularly since the housewives of Canada began protesting so vociferously.

The minister in his remarks this afternoon has confirmed the viewpoint that clause 6 is merely enabling. As the minister himself says, its function is to co-ordinate. If this is true, it seems to me that he would welcome any amendments that would make it possible to overcome this obvious deficiency in the legislation and assist in putting some teeth into the bill. The minister has indicated that it lacks teeth, that it really has no powers to deal with the problems confronting consumers at the moment. As I look through clause 6 that is certainly the impression I get.

Mr. Turner: On a point of order, Mr. Chairman, I did not say that the bill lacked teeth. I said the purpose of the bill was to put all the teeth in one mouth.

Mr. Dinsdale: I listened very carefully to the minister's comments, Mr. Chairman. He said he was going to put all his eggs in one basket or, if I might change the expression, that he is going to put all the teeth into one mouth. At the same time he talked out of the other side of the mouth and criticized the amendment, which was put forward with the sole purpose of providing something other than a study group approach to the problem. Looking at clause 6 (1) one sees that it has four paragraphs which piously express the hope that the minister will:

• (4:00 p.m.)

(a) initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer;

That is extremely vague language:

(b) co-ordinate programs ... designed to promote the interests of the Canadian consumer;

(c) promote and encourage the institution of practices or conduct tending to the better protection of the Canadian consumer—

By enacting paragraph (c) the government obviously hopes to improve the ethics of business in this nation. That is the interpretation I place on the wording. Paragraph (d) reads:

(d) undertake, recommend or assist in programs to assist the Canadian consumer to be more fully informed about goods and services offered—

And so on. These are all pious platitudes and do nothing in a legislative form to resolve the problem that the minister professes the legislation is put forward to deal with. It seems to me that the new department of consumer and corporate affairs is to be a study group much along the lines of the Economic Council of Canada. That body studies the basic economic questions and makes recommendations to parliament and to the government in the form of an annual report. The government, as regularly as the reports are made, does not accept the recommendations of those reports.

Though the minister has committed himself and has said that he rejects the amendment of the official opposition, I hope that he will change his mind and at least permit a gesture toward putting some teeth into the legislation. Co-operation and study are not good enough; those activities do not deal with the real problems. When the minister referred to having all the teeth in one mouth no doubt he was referring to the existing legislation which deals with combines, mergers, monopolies and restraint of trade. Presumably the minister thinks that the existing legislation which deals with these problems of consumer affairs is adequate.

Speaking from my experience in this house over the past 16 years, it seems to me that one of the great difficulties in protecting the consumer arises because the legislation designed to deal with combines, mergers, monopolies and restraint of trade, lacks teeth. I remember that one of the first debates in which I participated in this house had to do with the abolition of resale price maintenance. That was in the fall of 1951. The measure was put forward by the Liberal government of the day. It was thought that the measure would resolve all consumer problems with respect to constantly rising prices. Actually the legislation has been instrumental in eliminating more and more

smaller merchants and wholesalers in the field, leaving the larger operators to range freely in this important area of the business community. Prices, instead of coming down, have constantly soared upward and onward. Anyone who has taken the trouble to read the various reports on the extensive investigations into purported monopolies, combines and restraint of trade activities in Canada is forced to conclude that these investigations also amount to little more than studies in depth. Existing legislation has no teeth.

If this legislation establishing a new department is to be more than a snare and delusion it must have teeth. There are no teeth in the existing legislation which is designed to deal with monopolies, mergers, combines and so on. Admittedly, the amendment before the house will not solve all problems. It is, however, an attempt to make clause 6 more effective.

Mr. Macdonald (Rosedale): Would the hon. member permit a question? Under the present Combines Investigation Act the financial penalties are unlimited in amount. Injunctions may be obtained to prevent further breaches. What additional teeth would the hon. member propose?

An hon. Member: Well done.

Mr. Dinsdale: I will not debate the Combines Investigation Act at the moment. I merely indicate that during all the years I have been in this house that act has not been effective. Though the hon. member has been here but a short time, he must be fully aware of its ineffectiveness. If the government is purporting to put teeth into the legislation it is bringing forward which, it is hoped, will rectify the obvious ineffectiveness of existing legislation, I think the government ought to write the appropriate wording into the bill. It should not be satisfied merely with the pious platitutes I have referred to already.

Mr. Nesbitt: Otherwise they are false teeth.

Mr. Macdonald (Rosedale): What penalty can be higher than an unlimited penalty? What additional sanctions would he propose?

Mr. Nesbitt: False teeth.

Mr. Orlikow: Mr. Chairman, though the amendment of the official opposition is weak I rise to support it. The minister, by rejecting this amendment and by refusing to say—and so far he has refused to say—what specific steps the government is prepared to take when this department is established, has confirmed something that we have been claiming which has been borne out by recent events. This department is nothing but a promotional gimmick and is as false as most of the advertising gimmicks that are used to sell soap. The only real purpose of establishing this department is to give the minister, as I have said before, a forum in which he may promote his candidacy for the leadership of the Liberal party.

During the last week we have seen what has been going on in this country. Noranda Mines increased its copper prices. We have been lectured by ministers of the crown such as the Minister of Finance, by editorial writers of large newspapers, by financial analysts in our daily newspapers and by others about the danger of inflation and about the danger of pricing ourselves out of the world market. We have been told to use restraint. I am disturbed that most of these lectures seem to be directed at one group in our country, the ordinary citizens, the ordinary workers. Essentially, the workers are being told: For goodness sake, make sure that your union does not demand too much because the economy cannot afford it. Such exhortations would have a good deal more force if those making them would say something when business increases its prices and profits, particularly when there is no justification for price increases.

• (4:10 p.m.)

On November 21, six days ago, the Toronto *Globe and Mail* reported that Noranda Mines proposed to increase the price of copper from 47 cents to 51 cents a pound. From that day to this, questions have been asked in this house almost daily in an attempt to find out what the government proposes to do. We received the ingenuous answer a few days ago that Noranda was being very generous in raising its price by only 10 per cent and not to 60 cents a pound. I suppose we could say "Thank God for small mercies".

Why has this increase been decided upon? There is a simple answer. There is at the present time, and there has been for some five months, a strike directly affecting all the copper mines in the United States, and as a result of the tremendous demand for copper brought about by prosperity in the United States and the war in Viet Nam there is an acute shortage of that metal. There is a demand for copper almost regardless of price. So Noranda and other producers such as Hudson Bay Mining and International Nickel can charge any price they wish.

What are the effects of this increase likely to be? In the issue of the *Globe and Mail* to which I have already referred, that of November 21, the reactions of some of the users of copper are reported. We find Mr. James Thomas, vice president of Phillips Cables of Brockville, saying that the increase is "definitely inflationary." He is reported as commenting:

> The increase and subsequent additions will mean a 20 to 30 per cent increase in the cost of wire and cable.

He went on to say that an addition in the cost of primary metals would obviously be felt in the prices of finished goods. Mr. E. W. Darby, secretary of Pioneer Electric which manufactures transformers and switchgear apparatus, said he was shocked by the news. The increase would force the company into an increasing use of aluminum.

Copper is used in almost every manufacturing and industrial process in this country. One thinks immediately of power generators and the lines which carry power, of refrigerators and other appliances. It is hard to mention an item in which copper is not used. One might think that this price increase was forced upon the company, and upon others which will undoubtedly follow suit, by falling profits or higher costs. But the figures which appear in the *Financial Post* surveys do not indicate this to be the case. We find that Noranda Mines made a profit of around $31 million in 1964. In 1965 it had risen to $36 million and in 1966 to $43 million, an increase of almost 50 per cent in three years.

Here are similar figures with respect to the Hudson Bay Mining and Smelting Company. In 1963 net profits amounted to $11 million. In 1964 the profit amounted to $13 million and in 1965 to just under $16 million. Take Sherritt Gordon which has a mine at Lynn Lake in my own province. In 1963 profits amounted to $2,710,000, in 1964 to $5 million and in 1965 to $5,400,000. Again, this represents an increase of just over 50 per cent in three years. Increases in prices imposed by these companies and similar increases on the part of every other copper company in Canada are bound to have an effect on the cost of living about which every minister has been talking. If the hon. gentleman and the new department cannot do something about this situation either through direct legal means or through his powers of persuasion, if he cannot somehow induce these companies to stop robbing the public, he might as well forget all the pious speeches made by the Minister of Finance and others about restraint for the sake of holding down the cost of living, because if the working people of this country are faced by price increases such as those which will be brought about by this increase in the price of copper they will demand increases in wages to offset the increases in prices and the increases in the profits of these large companies.

It is not enough for the minister to reject the amendment moved by the hon. member for Yukon. I think he should tell us what he proposes to do about the highway robbery which is being perpetrated by the copper companies of this country.

Mrs. MacInnis (Vancouver-Kingsway): I want to say a few words in connection with the amendment proposed by the official opposition. We in this corner were very disappointed to hear it so quickly rejected by the minister. The amendment makes only a mild proposal. The minister has indicated all along that he is not yet thoroughly muscled, that the law needs teeth, that he will come out as the champion of the consumer as much as he is able. Yet even when an amendment with rather weak teeth is presented to him today we find that far from being glad to have it he rapidly backs away from it. He does not want these teeth and he has made it abundantly clear that when it is our turn in this corner to try to put genuine teeth in this legislation he will reject our proposals as well. If the minister is backing away from any kind of teeth in the legislation, it is a very peculiar thing.

Why is he backing away from amendments of this type? The amendment proposed by the official opposition is, after all, not mandatory. It is permissive. If the minister backs away from an amendment which merely suggests that he may have certain powers, there is something very wrong about this situation. We suspect that the minister wishes every vestige of doubt removed with regard to whether he even has teeth in the legislation. In these circumstances I, along with all the consumers of this country, am led to believe that the minister really does not want teeth in the law that he can use. The minister does not want the legislation to have teeth in it. Why not? Some hint may be found in a statement which appeared in the press last spring when this department was first mooted, to the effect that the minister was very anxious not to frighten business. I do not think that business is that tender and shrinking a violet. If the minister is going to champion the consumers he should realize that he needs some kind of armament, some teeth, if

there is to be any control exercised over the cost of living.

• (4:20 p.m.)

If the minister is going to back away from this mild amendment moved by the official opposition he will simply be saying to the consumers, "Sure, I want to be called minister of corporate and consumer—I beg your pardon—consumer and corporate affairs, but for goodness sake don't give me any power. I would be embarrassed because I don't intend to use that power." The minister cannot have it both ways. If he is going to champion the consumers the legislation must have the necessary teeth. If he refuses to accept those teeth then he is backing away before the fight starts. There is no alternative.

This is a very mild amendment from the official opposition. As a matter of fact the hon. member for Brandon-Souris referred to it as merely a gesture. I agree that it does not contain anything more than the beginning of teeth, but we are going to support it because any teeth are better than none.

The minister has indicated that under the rules he will contest the validity of the amendment which we will be moving, but I suggest to him that either on the present amendment or later on our amendment he should indicate what kind of teeth he will accept. If he rejects this amendment and later argues against the admissibility of ours, without indicating what he himself will do to put teeth into what somebody has called this namby-pamby collection of pious platitudes, then the warning signals will be up for the consumers throughout this country. I earnestly urge him not to reject our amendment which we believe will infinitely strengthen the armament at his disposal.

Mr. Orlikow: Mr. Chairman, I would like to ask the minister a specific question in connection with the matter which I raised earlier. Is it his intention to meet with the officials of Noranda Mines to discuss with them last week's announced four cents per pound increase in the price of copper? If not, has he other plans to deal with this announced increase?

Mr. Turner: Mr. Chairman, the Minister of Finance has already indicated that he has been making inquiries into this price increase. Since it relates to the general economic policy of the government the matter is properly in his hands. Of course I am very concerned about the subject matter raised by the hon. member for Winnipeg North, but in this particular instance the government is being represented by the Minister of Finance.

Mr. Orlikow: Is the minister aware of when the Minister of Finance intends to meet with the officials of this company, in the same manner as President Johnson and the late President Kennedy in similar situations urged, indeed demanded that such price increases be restrained? Is this going to be the kind of inquiry we heard about in the past, more particularly with respect to the recent steel price increase, an inquiry which goes on for months and months and with respect to which we do not get an answer until the next price increase is announced?

Mr. Turner: I am sure that since the Minister of Finance took the house into his confidence he will report in due course on what action he was able to take.

Mr. Saltsman: Will the minister use his influence to see that the consumer prices committee is immediately reconvened so that it can call witnesses and look into the copper price situation? Since the minister seems determined not to accept any teeth in this legislation that he could use, I would point out that that committee would have the power to call witnesses and hear argument with respect to the copper price increase. I ask him to consider my suggestion seriously and give a favourable reply so that the committee on consumer prices can get to work immediately.

Mr. Turner: I have already said in an answer on orders of the day that we are working out terms of reference for a committee on consumer affairs. I want to add that the reason this amendment is being rejected is because it would add no teeth at all. It mentions a power of investigation but really it does not accord any real power and does not put any constitutional limits on the power mentioned in it. The amendment has no teeth.

Mr. Cameron (Nanaimo-Cowichan-The Islands): In that case is it the minister's intention to introduce an amendment which has teeth in it before this bill goes through committee? If this is his sole reason for rejecting this amendment and if the implication is that he wants something with teeth in it, then we hope he will introduce such an amendment.

Mr. Turner: The hon. member was not here when I replied initially to the hon. member for Peace River that our concept of

[Mrs. MacInnis (Vancouver-Kingsway).]

the bill was that it does not set out the entire consumer program or entire legislative enforcement of that program. It is a bill whereby the policy and the program of the government can be administered by one department and one minister. The teeth are there. The bill itself does not contain the complete range of teeth. I repeat that the teeth are there, and it is a question of co-ordinating and administering the law in a uniform fashion.

Mr. Saltsman: While the establishment of a committee on consumer affairs might be very desirable, it is quite evident from what the minister has said that this will take some time. The copper situation is an immediate problem. It can have serious effects in an inflationary situation. If the minister could get the consumer prices committee established immediately it could look into the matter. Why does he not consider this an appropriate action to take at this time?

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Nielsen) negatived: Yeas, 33; nays, 41.

• (4:30 p.m.)

The Chairman: Shall clause 6 carry?

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, we are now about to attempt again to provide teeth for a very reluctant St. Lawrence-St. George as he goes out to battle for the consumers. He says that the teeth are there, but it is a little like the story of the Emperor's Clothes. The emperor and his whole entourage know that the clothes are on them, but to the people on the street they look naked at the present time. We do not know that the teeth are there or that the minister is prepared to have real teeth given to him. The minister recently painted another of his very glowing portraits of poverty when speaking to the Ottawa-Carleton Liberal Association. He made exactly the kind of speech most of us would like very much to make.

The Chairman: Order. The Registrar General on a point of order.

Mr. Turner: Mr. Chairman, I wonder whether the hon. member would indicate to which amendment she is speaking.

Mrs. MacInnis (Vancouver-Kingsway): It has to do with the prices review board, the one with teeth.

Mr. Knowles: Mr. Chairman, the hon. member has not moved an amendment yet. She is speaking to clause 6 of the bill.

Mrs. MacInnis (Vancouver-Kingsway): I said that it is the one with teeth. I hope I do not have to explain that. As I said, the minister made the kind of speech the other evening which many of us would very much like to make if we had the same number of information diggers and ghost writers at our command, because he gave a very effective summary of the poverty in this country and the terrible deprivation it works upon the low income people. He quoted the following from an article by Alan Philip which appeared in *Maclean's* magazine:

> If a family cannot afford the kind of housing, clothing, food, medical care and pleasure that the rest of us take for granted, then by our Canadian standards that family is poor.

Then he went on to say:

> Poverty in this country is curable. There is a remedy. I don't say this merely as an act of faith but as a clear prescription for action. The task of our new century is to learn how to solve difficult problems and to put our best efforts in service of building a decent, open society.
>
> An attack on poverty is the only choice an affluent society has if it is to honour at all the basic ethic of social responsibility and humanism that is part of our western tradition.

We can very well endorse those sentiments, Mr. Chairman. These are the sort of things to which all of us give adherence. I should like to suggest, however, that if the minister thinks he is going to get away in his present job with this sort of tea and sympathy, he is not. What the people in this country want is protection against profiteering. Unless the minister is prepared to accept the power, the teeth and the muscle necessary to give him a chance to bring about these things, he is not getting down to business and is deceiving the people of this country if he tells them he is getting down to business. He is not going to get down to business unless he has the armament necessary to do so.

The minister said that poverty is curable. We want to get down to the business of driving the dragon of poverty out of this country. The amendment I am about to propose is designed to put the sort of teeth in this legislation that it requires. We do not say that it will be all that is required; it is only a start. I do not need to labour this point, but

we are saying that we must start by giving publicity to the unconscionable price rises in respect of basic commodities in this country. We must build a climate of public opinion which will make it possible later to bring in legislation against such unconscionable profiteering. Instead of saying that this sort of thing is not possible under the existing powers, I think the minister should be bending every effort to take advantage of what would be possible and to see exactly how far he can go. I do not believe he should hide behind a constitutional excuse. I believe he should come up with a reasonable program. If he did so I do not believe there would be a provincial premier—not excepting mine in British Columbia—who would dare to stand in his way in protecting the public against profiteering in prices.

Consequently, Mr. Chairman, I wish to move the following amendment on behalf of this party:

That subclause (1) of clause 6 of Bill C-161 be amended by adding thereto the following new paragraph:

(e) establish a prices review board with authority to inquire into complaints of price increases in essential commodities, to make its findings public and to take joint action with any of the provinces to deal with price increases that cannot be justified.

I may say that we have already distributed copies in both English and French.

Mr. Turner: Mr. Chairman, I should like to speak briefly to this amendment, first in respect to its substance and, second, on the ground of admissibility. On second reading we engaged in a debate involving a prices review board. I outlined to the house then, and would ask the indulgence of the committee to underline now, the fact that the movement of prices is due to many complex factors, many of which are beyond the control of the federal government and many of which are beyond the jurisdiction of any of the governments of Canada. A good many of them, of course, are related to international economic factors, particularly in our vulnerable economy which depends, as it does, on foreign trade for one-quarter of every dollar earned. The movement of prices depends, within the private sector, on wage settlements, on rising costs in other areas and on the production process. In so far as it relates to government spending it depends in large measure not only on spending at the federal level but also on spending at the provincial and municipal levels.

[Mrs. MacInnis (Vancouver-Kingsway).]

In 1966, for instance, the federal government spent $6.7 billion on goods and services and at the same time the provincial and municipal governments spent $12.6 billion. Two thirds of every tax dollar spent by governments in Canada on goods and services was spent at the provincial and municipal levels. Despite the remarks of the hon. member for Vancouver-Kingsway as to the constitutional limitations upon our ability to control prices, those limitations do exist. In times other than those of emergency or of war the responsibility for the control of prices and wages rests with provincial authority. As I said before, at the federal level we can influence prices in the sense of ensuring that competitive forces are at play. The department has the responsibility for the administration of the Combines Investigation Act, the Patent Act, the Trade Marks Act and other legislation which can inject competition, particularly at the manufacturers' level.

• (4:40 p.m.)

If the purpose of the prices review board is to control prices, which is often indicated by members of the New Democratic party at the hustings level although they would have us believe in the house that its purpose is only to review prices, it would be constitutionally invalid. Such a prices review board would be toothless. As drafted the amendment purports to require the minister to set up a board with the authority to inquire. But the minister cannot give any board real powers of investigation because those powers would have to be spelled out in the Act. But there are no powers in the amendment to compel the attendance of witnesses, to compel the production of documents, to compel testimony to be given. So here again, as I said with respect to the amendment presented by the hon. member for Yukon, the amendment is illusory in this respect.

The proposed amendment envisages board authority to make inquiries but it sets no limits on such inquiries; in other words, it does not set out within its terms what the limits are upon the infringement of civil rights by any such board. It does not set out the limits of any inquiry. It does not tell us just what protection would be given to the average citizen in this country with respect to the powers of inquiry or the invasion of civil rights contemplated here.

The amendment speaks of joint action with the provinces, but joint action of an undetermined kind. What kind of joint action is envisaged? What is meant by the words

"deal with price increases"? Are the provinces to be asked to pass complementary legislation? I remember that when dealing with this matter on second reading the hon. member for Burnaby-Coquitlam, the leader of his party, suggested that a prices review board would have to be supplemented by complementary, simultaneous legislation passed by all the provincial governments.

The hon. member thereby admitted that there was a constitutional limitation upon this type of board and that the authority over price control lay with the provinces. Would such a prices review board have a role to play with respect to the major determinants of prices, namely, wages and other incomes? If not, these inquiries would be meaningless. Unless the proposed board is to be purely advisory, it is doubtful that parliament is competent to legislate in this field, and if it is purely advisory the amendment is unnecessary because clause 7 of the bill provides authority to establish advisory boards.

I am not yet convinced that a prices review board would be a practical measure. Do the advantages of such a board outweigh the costs, both monetary and social? Do the actual money costs of setting up such a board, together with the social costs of the delay and the red tape, really justify it?

I wonder whether hon. members of the New Democratic party have thoroughly thought out some of the consequences that might flow from the establishment of such a board. It might cause the setting of artificial prices based on a substantial rise in cost. It might allow any manufacturer to justify a price increase if he could substantiate an increase in cost, without having at the same time to show that he had done everything possible to improve his product, to improve the distribution process, to improve unit productivity, research, and so on.

Since an increase in cost will be primarily, I suppose, a result of an increase in the cost of labour, it might be that a union, knowing a wage increase would justify a price increase before such a prices review board and knowing that this increase in cost would be passed on to the consumer whether or not it was justified by productivity, would be tempted to press for that wage increase. As Professor Beach of McGill University said in a recent speech in Montreal to the Consumer Association of Quebec, there is in a prices review board "a strong built-in tendency to inflation." I want to quote some of his words:

> It may come as a shock to some here when I say that a cost increase is not an adequate justification for a price increase. If costs increase and squeeze profits the industrialist should attempt to improve his product or his process, and only as a last resort will prices be raised—the last resort which may well imply losses and bankruptcy for some.
>
> The inability to pass on cost increases is a great social control—even uncertainties about the abilities to pass on such costs is important. Thus I am not in favour of a price review board. It has more dangers than promises of success.

It is the opinion of Professor Beach that it has inherent in it as many dangers as it has promises for success. I have grave doubts as to the admissibility of this amendment, Mr. Chairman.

Mr. Lewis: Mr. Chairman, I rise on a point of order. The minister has discussed at some length the merits of the amendment. I suggest to him that before he opens a procedural argument as to its admissibility he should in courtesy—and I know him to be courteous—give other members an opportunity to discuss the merits of the amendment, particularly those of us who support it. He ought to give us the opportunity to reply to the circuitous argument which he has presented. I suggest that this should take priority over the procedural discussion which the minister is about to introduce. I would like the floor, Mr. Chairman, assuming someone else does not have it, to deal with the merits of the amendment.

Mr. Turner: Mr. Chairman, I dealt with the merits at some short length in reply to the hon. member for Vancouver-Kingsway.

Mr. Knowles: At some length.

Mr. Turner: I intended, of course, at the outset to object to the admissibility of the amendment.

Mr. Barnett: But you got carried away by your own eloquence.

Mr. Turner: I got carried away, perhaps, in replying to the arguments advanced by the hon. member for Vancouver-Kingsway. I should like to present my argument on the admissibility of the amendment, if that is the wish of the Chair, but I do not wish to limit the discussion.

Mr. Lewis: Why cannot we have a discussion on the merits? Some of us will not be any longer than the minister was. If he

wants to attack the admissibility of the amendment, he can do it then.

Mr. Bell (Carleton): Mr. Chairman, if a point of order is being raised surely it must be disposed of before we can go on with any further discussion.

Mr. Turner: I should like to attack the admissibility of this amendment, Mr. Chairman.

Mr. Lewis: On the point of order, Mr. Chairman, that is precisely the point that made me rise. I put it to the minister and other members: Is it fair that the minister should make a speech attacking the amendment and making what in my view were entirely wild, irrelevant and indefensible statements about it, including quoting the remarks of Professor Beach, and then enter into a procedural argument? Should the Chair hold with the minister that the amendment is not in order, the opportunity to reply to him on the amendment itself goes by the board.

I appreciate that one might drag in the argument with relation to the amendment on some other clause, but that is not a good way to deal with it. I know I cannot do anything to stop the minister and I cannot ask you, Mr. Chairman, to stop him; but I am saying to him that if he really wants to be fair to the consumer and to the subject matter before this committee, he ought not to take advantage of his position as minister, make the kind of speech he did and having made it then say, "Really, all of this is out of order because the amendment is out of order."

Mr. Turner: I make it quite clear, Mr. Chairman, that I was going to attack the admissibility of this amendment.

Mr. Lewis: You wanted it to be on record.

Mr. Turner: Had I been called to order I would, of course, have abided by the ruling of the Chair. I made it quite clear at the outset of my remarks that I intended to attack the admissibility of this amendment and I would like your permission to do so, Mr. Chairman.

• (4:50 p.m.)

The first ground is that the amendment is moved to a money bill, which has been preceded by a resolution necessary for the introduction of a money bill, and that the amendment would tend to add to the expenditure of money within the precedents recognized by the house. I refer Your Honour first of all to citation 246, paragraph 3, page 207 of Beauchesne, fourth edition, which reads as follows:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications. In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge. And this standard is binding not only on private members but also on ministers whose only advantage is that, as advisors of the Crown, they can present new or supplementary estimates or secure the royal recommendation to new or supplementary resolutions.

I submit to you, sir, as chairman of the committee that in attempting to add a subclause establishing a prices review board the amendment goes not only beyond the scope of the resolution which preceded the introduction of the bill but also extends the scope, object and purposes of the bill by adding the creation of a new board.

I want to refer Your Honour also to citation 249 (1) found on page 214 of Beauchesne, fourth edition, which reads as follows:

> No cases can be found of any private member in the Canadian Commons receiving the authority of the Crown, through a minister, to propose a motion involving the expenditure of public money. No principle is better understood than the constitutional obligation that rests upon the executive government, of alone initiating measures imposing charges upon the public exchequer. On one occasion, in the English Commons, the consent of the Crown was given to certain formal resolutions proposed by a private member with reference to charges in courts of law to be defrayed out of the consolidated fund. It was thought, however, that any resolution placing a charge on the consolidated fund should be moved by a minister of the Crown, and the more regular procedure was thereupon carried out. It was distinctly affirmed, however, that the member who proposed the motion involving the charge was within his right when he had the sanction of the Crown, but it was generally admitted at the same time that it was better, as a matter of policy, that the proposition should emanate from a responsible adviser of the sovereign.
>
> The responsibility of recommending applications for pecuniary redress or relief to the consideration of parliament should rest solely upon the executive government, who are strictly accountable for every item of public expenditure, whose especial duty it is, in the interest of the taxpayers, to oppose all unnecessary outlay, and who possess peculiar facilities for investigating into the merits of all pecuniary claims.

The seventeenth edition of May's Parliamentary Practice, dealing with the rules and practices of the British House of Commons, contains citations to the same effect. At page 803 the following sentence is to be found under the heading "Amendments in Committee (or on Report)":

It is, however, necessary to consider the additional restriction resulting from the relation between a bill and its financial resolution, the effect of which is, as stated above, that no amendment may be moved in committee on a bill which would increase the charge beyond the limits authorized by the relevant money resolution, as recommended by the Crown and agreed to in committee and on report.

And at page 805 May states the following:

As explained above (p. 781), it is unnecessary to set out the various ways in which amendments may impose fresh charges. The different kinds of expenditure which are regarded as charges have been tabulated in pp. 781-9. The rules there stated are generally the same for amendments as they are for bills, with the substitution of the relevant money resolution for the existing law as the standard in relation to which the increase of a charge is ascertained. Reference should accordingly be made to the classification of charges contained in pp. 781-9.

Example No. 8 given by May refers to an increase of charge by extension of the purposes of the bill and it reads as follows:

When a bill contains provisions extending the purposes of expenditure already authorized by statute, such provisions may require the Queen's recommendation. The following examples may be given:

The examples are bills in which amendments were attempted extending the scope and object of the bill.

May I say as guidance to Your Honour that a ruling was made by Mr. Speaker as late as November 30, 1966, and is to be found at page 1080 of *Votes and Proceedings* for November 30, 1966. An amendment in committee was proposed to the medicare bill which, attempted to extend the definition of "medical practitioner". The Chair referred to citation 246 of Beauchesne, fourth edition, and to paragraph 13 of May, seventeenth edition. He ruled the proposed amendment out of order on two grounds, mainly that it extended the purpose and objective of the resolution adopted by the house on July 12. In other words, the ruling was to the effect that the amendment was out of order in that in a bill effecting charges upon the Crown it extended the scope, object, purposes, conditions and qualifications, because the resolution and the bill must be considered as having set once and for all those objectives, conditions, qualifications and principles of the bill.

I should like to refer to one further citation which is to be found in the *Journals* of the house for November 29, 1949 at page 306. At that time Bill No. 194, an act to encourage and to assist in the construction of a trans-Canada highway, was being considered in committee of the whole. Objection was taken in committee to the decision of the Chairman on a point of order and an appeal was made to the whole house. The Speaker resumed the chair and the chairman of the committee made the following report:

When Bill No. 194 was under consideration in committee of the whole, Mr. Argue moved that clause 4, subclause 2, be amended by deleting therefrom the words "fifty per centum" and by substituting therefor the words "seventy-five per centum".

The chairman ruled the amendment out of order on the ground that it increased the financial responsibility of the government. Whereupon the hon. member for Winnipeg North Centre appealed the ruling of the chairman, and the question being put by Mr. Speaker, "shall the ruling of the Chairman be confirmed", it was decided in the affirmative.

Therefore I wish to submit to Your Honour that the amendment is out of order on the ground that it increases the scope, objects and purposes of a financial bill which was preceded by a resolution. In accordance with the customs of the house, and since the amendment involves an expenditure of money and is beyond the scope of the resolution or of the bill, it is therefore inadmissible.

Mr. Lewis: Mr. Chairman, before saying a word on the procedural point which the minister has raised I should like your indulgence to deal with some of the remarks he made with regard to the amendment now before the committee, and in doing so I hope to lay a foundation for my suggestion to you on the very simple basis that the minister's lengthy procedural argument should not be accepted in view of some simple words in the resolution to which I shall refer later.

• (5:00 p.m.)

Let me say first, Mr. Chairman, that the minister's extremely circuitous, almost incomprehensible argument, against the amendment now before the committee ignored completely what my colleagues have suggested on a number of occasions is the purpose of our urgent suggestion for the establishment of a prices review board. I say

to him that if we were not aware of the fact that the power to control prices is, under our present division of powers in Canada, under provincial jurisdiction, then our amendment would have been of a different type. Then I, for one, would have supported a provision in this legislation that would give some body the power to have selective price control. It is precisely because we know it is not within the jurisdiction of this parliament to impose price controls, in a period such as the present in Canada when we are not at war or in a particualr emergency, that we urge upon the committee and upon the minister, as we have done for some months, the establishment of a prices review board.

Surely it is not very difficult to see the value of such a board, even though it would not have the power to decree that a certain price be lowered or changed. I cannot imagine the minister does not realize the tremendous advantage it would be to the people of Canada if such a board had the authority to make an inquiry in response to complaints against price increases and to publish the evidence it received as well as the results of the inquiry along with some declaration whether or not the price increases were, in all the circumstances, justified. This course would bring public opinion to bear on the vendor, the employer or manufacturer or whoever it may be to lower the price below the unconscionable level which the prices review board might have found the price increases to reach. Surely there is nothing mysterious about this. Why is the minister running away from it? What possible harm could there be in that?

In order to justify his obvious refusal to do anything constructive for the consumers of Canada, in order to justify his obvious determination to clothe himself in raiment which glistens but has no value, he goes into all sorts of irrelevant avenues and talks about all sorts of things that have no relevance to the amendment before us. This is basically a very simple proposition, that this parliament ought to give the government and the minister authority to have some body to look into complaints about price increases, get all the evidence available, look at all the facts available and pronounce whether or not such price increases were justified. This would bring public opinion to bear on unjustified price increases.

The second reason we have urged for many months the suggestion contained in this amendment is precisely our realization that constitutionally this parliament cannot control prices, and our realization also that the federal government has a duty to give some leadership in this field as in any other field. If the government accepted the proposal to set up a prices review board, not to do the kind of nonsensical thing the minister talked about but to be in consultation with the relevant provincial authorities, then the leadership given by the setting up of this board would, in our view, lead to action by the provinces across the country so that you would eventually have a network of laws that would really protect the consumer of Canada.

What is wrong with that? In what way does this suggestion violate logic, the constitution or anything else? In what other way can this parliament give any leadership to end the unjustified price increases than by the establishment of the kind of body which it constitutionally has the authority to establish? The minister talked about there being no limits upon the incursion into the civil rights of a person. This is the second or third time I have heard him cry the common cry about this. Who is going to interfere with civil rights? Do not the people of Canada, does not this parliament, have the right to say to someone who sets out to gouge the consumer in Canada that the reason for his action ought to be made public? He is interfering not only with the civil rights but with the very livelihood of every person living in Canada. Is that not of importance? Does the minister always have to defend the right of corporations to refuse to make public the reasons for their actions when those actions are against the interests of the ordinary person in Canada? What lachrymose arguments; Mr. Chairman. What relevance has civil rights in defending the proposition that is now before the committee and to which the minister addressed himself?

Then the minister quoted as an authority Professor Beach, for whom I have great regard not only because he has the prefix "Professor" before his name but because I have had the privilege of knowing him. A good many people for whom I have the greatest respect, including the minister and Professor Beach, can be in error. The minister and Professor Beach are right if they assume you get a prices review board which is dumb, blind and deaf and does not understand what is happening to the economy of Canada or has not the courage to get advice from experts in the country or anything else that would make a prices review board work.

Perhaps, Mr. Chairman, this is one of the difficulties in making these suggestions to the government because the way this government chooses, the likelihood is that if the minister accepted the value of such a board we would have the same kind of board as we have had in the Board of Broadcast Governors and similar boards in that it would be composed of defeated Liberal candidates and do precisely what Professor Beach fears.

However, if such a board consisted of men and women of intelligence and understanding of the Canadian economy, they would of course look into the productivity and efficiency factor, the particular situation as well as some figures on cost. What kind of nonsense is it to say that because this board would exist, corporations could give the usual figures on costs and justify what otherwise would be an unjustifiable increase in price? I assume that the board would consist of men and women who would know what causes some of these things. I would assume the board would be composed of people who had at least sufficient elementary economic training or economic experience to know that every time—as a matter of fact this is the history of economic development—there has been a wage increase, almost every time there has been pressure on the economy, the answer has been to have greater and greater technological development resulting in greater and greater productivity resulting in smaller and smaller costs per unit of production. This may well happen even in cases where the prices go up.

As you know, Mr. Chairman, I have been away the last little while as an observer at the United Nations and I was not here when this discussion took place. However, I can think of several occasions when the government's attention has been drawn to what appeared to be totally unjustified increases in the price of copper. These increases were not justified by any considerations whatever in Canada but were imposed by the copper producing companies which took advantage of the pressures on the market resulting mainly from events in the United States, namely, a five or six months old strike in the copper producing industry in that country coupled with the war in Viet Nam. Corporations in Canada have taken advantage of the situation. And not only in Canada, Mr. Chairman, but elsewhere as well. As a matter of fact, the price of copper on the international copper market has increased for no other reason than that the demand is greater than the supply at the moment and it is thus possible to squeeze more profits.

• (5:10 p.m.)

This is the kind of situation that a prices review board would examine. It would clearly show that it was a question of nothing but sheer, gross greed by the corporations involved whose profits are already large enough and have been for some time.

There is nothing in this amendment to suggest that the prices review board inquiry is to be limited to cost. It is to make an inquiry into price increases and would be justified in extending that inquiry and asking questions about efficiency and productivity as well as other factors involved.

At no point, Mr. Chairman, will such a board be meaningless. This body is not advisory in the sense of the advisory council referred to in clause 7 of the bill. Perhaps the closest analogy is that it is intended to be a public body of the same kind as a conciliation board in labour disputes, such as was provided for many decades ago. Everybody knew when it was set up that it could not impose any decision it made or conclusion it reached upon the parties to a dispute. However, it was always believed—and this has proven to be true—that in most cases the recommendation of a conciliation board in a labour-management dispute would carry tremendous weight with the parties, and that the party that ignored the recommendation would be in danger of creating pretty bad public relations with the people of Canada.

With some leadership of the kind I have mentioned, Mr. Chairman, this is the sort of thing that a prices review board would accomplish. Everybody who has studied the developing economy in Canada knows perfectly well that the days of pure competition are gone. So-called free enterprise has been dead for nigh on two or three decades, and the market today is controlled. In this regard I do not rely on my own statements but would draw to the attention of the minister Professor Galbraith's recent book "The New Industrial State". He merely collects together a great deal of information about our developing economy which some of us have read and presented for many years.

When you are dealing, Mr. Chairman, with a market where competition is no longer free, where demands and prices are to large measure controlled, where prices are administered rather than the ideal market prices of the kind envisaged by Smith and Marshall, then only parliaments and governments can do

something to make sure that people are not fleeced by high prices, that prices are not increased without justification or reason. Therefore I say that our proposal is within the constitutional competence of parliament and that it can and would do a tremendous amount of good.

With regard to the procedural matter, Mr. Chairman, I will leave it to my hon. friend and colleague from Winnipeg North Centre to deal with the citations. As a practising lawyer between my political excursions inside and outside parliament I have always taken the position that every time there is simple language in a contract or in a statute which is clear and distinct the lawyer who wants to challenge the wording has to do the kind of meandering that the minister did in this case.

Having read the resolution which preceded the bill I should like to make this very simple argument—simple yet to my simple mind conclusive argument. I am not going to refer to any precedents because it seems to me that plain, simple common sense has always been the best legal argument in judicial decisions and should be the best argument in parliamentary decisions as well. The wording of the resolution, which is to be found on page 3067 of *Hansard,* commences in this way:

> That it is expedient to introduce a measure to establish a department of corporate and consumer affairs; to provide for the appointment of a minister and a deputy minister and for their duties and powers; to provide that the governor in council may establish a consumer advisory council and other bodies to assist the minister—

I know what the minister's answer is going to be because I am going to give it in a moment. It is true that the resolution refers to other bodies to be established by the governor in council. I realize the minister is going to say that this particular power referred to in the resolution is embodied in clause 7 of the bill. But there is no language that qualifies "other bodies". My simple legal mind tells me that the resolution does contemplate other bodies. A prices review board is another body. I do not have to go into all sorts of circular arguments because the words are there.

Therefore, Mr. Chairman, the suggestion of establishing another body, which is what a prices review board is, falls directly within the language of the resolution, and it seems to me that citations and references which seek to stretch the meaning of words are unnecessary. The words of the resolution are clear and they mean that this bill may provide for the establishment of an advisory council as well as other bodies. The simple English words indicate to me that a prices review board is another body. Therefore it comes within the resolution.

Mr. Turner: Would the hon. member permit a question at this stage?

Mr. Lewis: Certainly.

Mr. Turner: Would the hon. member not admit what I think he has already admitted, that the words he read in the resolution are reflected in clause 7, and that the power to appoint advisory bodies is given to the governor in council? To attempt to set them up by statute in clause 6 would be going beyond the scope of the resolution.

Mr. Lewis: As I said a minute ago, Mr. Chairman, I thought that was going to be the answer of the minister. However, with great respect, I do not see why logically it is necessary to say that the "other bodies" referred to in the resolution mean only the other bodies referred to in clause 7. Why cannot a prices review board, which is another body, be established in this legislation instead of established by the governor in council under clause 7?

Mr. Knowles: Mr. Chairman, I got the message when my legal friend was speaking that it is not necessary to go to great lengths in quoting precedents, standing orders, and so on, in connection with the point of order. Even before I got that message it was my intention to make only a brief contribution at this point.

The Registrar General has based his case against the admissibility of this amendment mainly on two grounds: first, that in his view it goes beyond the terms of the resolution preceding the bill; second, that it involves an expenditure, and that this is something that cannot be proposed on the motion of a private member. With respect to his first point, the contention that the measure goes beyond the provisions of the resolution that preceded the bill, I wish to go further than my hon. friend from York South and point out that the resoltuion in clear wording forecasts a bill which will provide for a minister and deputy minister, and their duties and powers. In clause 6, I suggest, we are dealing with the duties and powers of the minister and we have the right to move an amendment with respect to what those duties and powers shall be.

• (5:20 p.m.)

I also wish to draw to your attention the last words of the resolution. Perhaps these

words are always included in such resolutions for protective reasons; nevertheless they are there and they are as follows:

—and to provide for certain other matters related or incidental thereto.

We suggest that a prices review board is related or incidental to the operation of the bill. I therefore contend that the request for a prices review board is within the general terms of the resolution which was introduced by the minister.

The minister's second point is one that in this parliament is 100 years old. He argued that private members cannot move anything which would involve the expenditure of money. May I remind Your Honour of Mr. Speaker's interesting ruling on Monday, November 13, with respect to a private member's bill which the hon. member for Jacques-Cartier-Lasalle sought to introduce. His bill had to do with printing statutes and other parliamentary documents in both languages. The hon. member for Winnipeg South Centre questioned the validity of the bill on the ground that it would cost money. Mr. Speaker took the matter under advisement and ruled on Monday, November 13 that, provided the charge involved was not a direct one, and provided it was a charge which was covered under—

Mr. Turner: Would the hon. member please refer to the page number ?

Mr. Knowles: Yes. Page 4165 of *Hansard* for Monday, November 13, 1967. Perhaps I might read a few of the interesting words of Mr. Speaker. He said:

My conclusion is that the present bill does not fall within that definition. May states that a charge must be new and distinct and that it must be effectively imposed. He adds: "These tests have the effect of excluding from the category of charges a considerable number of matters which prima facie involve expenditure."

In the same vein, Mr. Chairman, I remind you that there are a number of citations in Beauchesne's fourth edition on the point. Your Honour is familiar with them because you have quoted them to us. They can be found in the index to Beauchesne under "Money resolutions, subsidiary charges." Examples are citations 251 and 277 and others. Many citations suggest that where something that a private member is asking for may necessitiate a vote of parliament, or where what is being asked for is not a direct charge, then that matter falls within the category of the sort of thing which Mr. Speaker talked of on Monday, November 13. The reliance which the Registrar General placed on citation 246(3) is partly faulty. He read that citation to us as though it stood by itself. He read the words, "The guiding principle in determining the effect of an amendment upon the financial initiative of the Crown", and so on.

Subparagraph 3 must be read in conjunction with subparagraph 2, which makes clear that the amendment of a resolution is being discussed. We are not now amending a resolution. We understand the restrictions with respect to resolutions that precede bills. The point has now been reached where a money resolution that precedes a bill cannot be amended. I am prepared to accept that. But the Registrar General read this citation and left the impression that it applied to amendments, with respect to a bill. This is not so, for as Your Honour knows, citation 251(1) of Beauchesne's fourth edition says:

It may happen that the resolution sanctions some expenditure without fixing the maximum amount to be spent.

Your Honour is familiar with this citation. It goes on to point out that, if the situation envisioned in the first two lines of that citation exist, the committee on the bill may move amendments that may indirectly seem to involve the expenditure of money, but as they are covered in the general terms of the resolution they are not out of order so far as a private member is concerned. Therefore, Mr. Chairman, it seems to me that there is a case against the Registrar General's argument with respect to both points he has raised.

Mr. Turner: With respect to the recent judgment of Mr. Speaker on November 13 it is relevant to consider it at this time. He said in part:

If any expenditure is required following the adoption of this bill, it is already covered by section 16 of the Publication of Statutes Act—

And he added:

—the publication of the statutes, was introduced in the house on March 31, 1925, with the same wording as that contained in section 16 and without a resolution. In other words, if there is any expenditure in the bill proposed by the hon. member for Jacques-Cartier-Lasalle it is already covered by existing statutory authority.

In other words, Mr. Speaker's decision was that there was already statutory authority for any money which might be expended under the bill introduced by the hon. member for Jacques-Cartier-Lasalle.

Mr. Knowles: By the same token, the minister's bill provides the statutory authority for any money which is to be spent under it, provided that the requests for expenditure come within the terms of the resolution, as I believe this one does.

The Chairman: Order, please. I thank hon. members for their contribution on whether this amendment is valid. The Chair, of course, was interested in the constitutional argument but that is not a matter which the Chair must decide. The Chair must decide whether the amendment is procedurally acceptable and not whether it is constitutionally correct.

I refer hon. members to citation 71(5), to be found on page 61 of Beauchesne's fourth edition, which states:

> The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege.

Next, the Chair must decide whether setting up a prices review board is outside the terms of the resolution. The resolution reads as follows:

> —to provide for the appointment of a minister and a deputy minister and for their duties and powers; to provide that the governor in council may establish a consumer advisory council and other bodies to assist the minister and for the remuneration and expenses of the members thereof;

The Chair takes the view that a prices review board could well be included in the phrase "and other bodies".

With regard to that question I wish to refer hon. members of the committee to citation 251(1) of Beauchesne's fourth edition which has already been quoted and which states as follows:

> It may happen that the resolution sanctions some expenditure without fixing the maximum amount to be spent. If, for instance, the resolution recommends that adequate salaries be paid a newly constituted body and the amounts of the salaries are fixed in the bill based on that resolution, the Committee on the bill has the right to increase those amounts, because, in doing so, it does not go beyond the scope of the royal recommendation.

• (5:30 p.m.)

Further, in paragraph 2 of citation 251 we read:

> A motion that certain commissioners should be appointed to examine the feasibility of some public improvements and report the results of their investigations to the House is in order, as it is an abstract proposition that does not necessarily bind the House in any way.

May I refer members also to citation 278, paragraph 4, which is to be found on page 227 of Beauchesne's fourth edition. It reads as follows:

> The committee is not bound by the terms of the provisions which the ministers have inserted in the bill; and, when no amount has been mentioned in the resolution, any member may propose to increase the grants specified in the bill or to extend the application of the provisions of the bill, whatever may be the cost resulting therefrom, so long as the power conferred by the royal recommendation is not exceeded.

It is the opinion of the Chair that the present amendment does not go beyond the royal recommendation, that it is within the scope of the resolution as passed by the committee on October 13, and the Chair therefore accepts the amendment.

Mrs. MacInnis (Vancouver-Kingsway): May I ask the minister a question? Would he like this amendment any better and would he accept it if instead of the word "take" in the third last line we were to put the word "advise"?

Mr. Turner: In our view, and I say this with the greatest of respect, I do not think the amendment could be cured by such a change.

Mrs. MacInnis (Vancouver-Kingsway): I was just trying to prevent the teeth from showing a little farther above the gum than the minister might like.

Mr. Saltsman: The minister indicated that he did not believe a prices review board would be of any great assistance in controlling the level of prices. Am I correct in this interpretation?

Mr. Turner: I suggested to the members of the N.D.P. that they ought to look at both sides of the question. What disturbs me about this amendment is that it purports to set up a prices review board which, even in its own terms, does not possess adequate powers. Only a skeleton is left. If a prices review board were to be set up it should in my view be set up by a separate statute giving it real power. This amendment gives the public the idea that a prices review board is to be constituted without setting out the powers necessary for the enforcement of the board's decisions.

Mr. Saltsman: I would be interested to hear the minister's position with regard to the establishment of a prices review board and to hear him tell us what kind of powers he has in mind. If he is thinking in terms of a prices review board which could help the

consumer, he might find us most co-operative in assisting him. Perhaps the minister could outline his thinking on this subject.

Mr. Turner: Not on this occasion. However, if a prices review board were to be established by parliament I think the appropriate motion should be introduced by the Minister of Finance who has direct responsibility for the general financial and economic policy of the government. The board would be set up with appropriate terms of reference and given such authority as would enable it to do the things the hon. member has been talking about.

Mrs. MacInnis (Vancouver - Kingsway): Would the minister be prepared to recommend to his colleagues the establishment of a workable prices review board?

Mr. Turner: My mind is not closed on any subject.

Mrs. MacInnis (Vancouver-Kingsway): That is not an answer. Would the minister put on paper the terms of a workable proposal for the setting up of a prices review board?

Mr. Germa: Listening to the minister's almost hysterical rejection of the proposal to set up a prices review board I felt it was indicative of the attitude he really takes toward controlling consumer prices. The hon. gentleman has already indicated he has no intention of controlling prices. So the bill as it stands is just another shade of pale so far as the consumers are concerned.

The minister has in the course of the past few years built up a picture of himself as an affable, nice fellow, a friend of everyone including the corporations. If he is to discharge his present job effectively as minister of corporate and consumer affairs I do not think it is possible for him to maintain this image in the community, especially among the crème de la crème of the corporate elite. He needs to buy himself a barbed wire overcoat and thump these people around a little. If he is not willing to do this, the bill becomes just one more piece of window dressing such as have been perpetrated on our people for the last 100 years.

Every time the question of prices comes up someone blames increases in wages right away. No one asks why it is that wages have increased. Look at the levels of corporation profits. It is these profits and their effect upon prices which have caused labour to rectify the situation by bringing back some of this money into their own pockets. What the minister seems to have envisaged in connection with this bill is the appointment of a little debating society, a couple of ladies discussing the price of shoelaces while doing their knitting. We want something different. We want somebody with power to tell Noranda Copper to prove its case for raising prices, to justify its demand for higher profits.

What is going on in this country is not even unbridled free enterprise because, as my hon. friend from York South has told us, we are really living today under a system of monopoly. There was no reason for the recent increase in steel prices with extra profits for the steel companies. Yet no justification was ever offered in defence of that action.

Almost every phase of this nation's industrial activities is controlled by two or three large corporations, mostly foreign owned, which do not care two hoots about the Canadian consumer and are entirely unconcerned about his welfare. Does anybody believe that General Motors could not run Ford and Chrysler off the market any time they saw fit? The only reason Ford and Chrysler are allowed in Canada is to maintain this patchwork system of so-called free enterprise. General Motors know that if they run Chrysler and Ford off the market the United States government would intervene. This is why they continue this pretence of competition which is not competition at all.

• (5:40 p.m.)

We have to get control of the marketplace, Mr. Chairman, because the free enterprise system has been described as a rat race without control, and the rats are winning. These are the people over whom we have to get control. We have to get those rats by the tail and swing them around our heads a little bit.

If the minister does not know where to get a barbed wire overcoat I can tell him that I have a spare one. I will lend it to him and he can use it to go to Noranda Copper and deal with these people. There is no use hiding behind the constitutional issue and saying: We cannot do this and we cannot do that; we cannot control these people because of the constitution. The greatest force in this country is public opinion. That is where the minister will find the power.

A prices review board will expose to the Canadian people what has been going on. Once you tell the people the truth they will give you the backing you need and you will have more power than anybody else in the

community. The minister's attitude will have to change. He will have to get that silver spoon out of his mouth and get the show rolling. We are trying to give him the power. We are asking him to take the power and go ahead and do the job.

I ask the minister to quit this namby-pamby-ing and saying he cannot interfere with civil rights. That is all baloney. Let him interfere on behalf of my rights and the rights of the rest of the people who are consumers. The minister has to interfere on their behalf and not on behalf of the corporations. They have the strength to look after themselves. I wish the minister would not take this hysterical attitude. I wish he would accept this amendment because without it this whole Bill C-161 might as well go by the boards as absolutely useless.

Mr. Allmand: Mr. Chairman, I shall be very brief—

Some hon. Members: Hear, hear.

Mr. Allmand: Maybe I will not be so brief now. I feel there were a few points brought up by members of the N.D.P. that have to be met. I know that the minister has dealt with these things very well, but I wish to point out that the N.D.P. is a party which pretends it is against window dressing, that it is against sham, and that it likes things which are well thought out. But here we have an amendment that is nothing but window dressing, nothing but sham, and is not well thought out.

What does the N.D.P. amendment say? It calls for the establishment of a "prices review board with authority to inquire into complaints of price increases in essential commodities." It sets out no structure for such a board. It does not say how complaints are to be brought before the board or by whom, and it does not say what are the essential commodities. It calls for the board "to make its findings public and to take joint action." What kind of joint action? Is it action to control prices, to roll back prices or to set prices as was done by the wartime prices and trade board? It does not say. No, Mr. Chairman, this is sham, political window dressing, and it is poorly thought out.

I think the minister was quite correct in saying that even if we were to accept the principle of a prices review board, provision for it should be brought forward in a separate piece of legislation. If we are going to change the marketplace in a radical way and do something new, we have a duty to set forth such a proposal in a well thought-out manner detailing the method of procedure, particularly since it would be related to income policies and prices policies in general.

I suggest to the hon. member for Vancouver-Kingsway, who is so fond of talking about window dressing, that before she introduces any more amendments she should think them out better and think more of their effect on the legislation rather than of political gain. I think the only honest member in that party is the hon. member for Waterloo South. When he spoke during the debate on this legislation on November 17 he dealt with a prices review board, and in answer to several questions which I put to him he said that in his opinion a prices review board should not have the power to fix prices or roll back prices but should merely investigate and make recommendations to the government.

This is typical of the N.D.P. members. If you talked to ten of them about a prices review board they would have ten different definitions of it. Last year when the consumer prices committee was investigating prices I remember attending one particular meeting. I was with a member from the N.D.P. party and he told the people at the meeting that night that the N.D.P. wanted a prices review board that would fix prices. That is exactly what the people at the meeting wanted to hear and they thought he was a great fellow. But, as I say, we have an honest member like the hon. member for Waterloo South who takes another approach. Then we have the hon. member for Vancouver-Kingsway who takes a different approach, and several other members of that party take other approaches to the problem. I say that we must object to this amendment because it is poorly thought out and is merely political window dressing.

Mr. Nasserden: Mr. Chairman, I believe it is absolutely unnecessary to introduce this amendment. All it would do is build up a greater bureaucracy than we have now. Everything this amendment seeks to do can now be done by the Department of Trade and Commerce through the Dominion Bureau of Statistics. If its reports are co-ordinated the public can be kept informed of what is taking place with regard to price increases. The Dominion Bureau of Statistics issues reports from time to time on the cost of living and on many other sectors of the economy. To establish a prices review board, with the additional employees that this would entail, would add a cost to government

that is unjustified at this time. Therefore I intend to vote against the amendment.

Mr. Barnett: Mr. Chairman, I was interested in some remarks the minister made in reference to the amendment. He suggested it set out only the skeleton of a prices review board, but comparing the amendment with the terms of the bill before us I would like to ask the minister just how much more than a skeleton does the bill give him? I had a vision of the minister as a skeleton painted in luminous paint when he was suggesting that our amendment had no more to it than that.

The hon. member for York South and others have made it clear that this amendment in just a few words sets forth something which could be given a very substantial body if the will were there to put it into effect as intended by its mover. Therefore I suggest to the minister that he take another look at his own bill when he starts talking about words being only skeletons.

Mr. Saltsman: Mr. Chairman, since the hon. member for Notre-Dame-de-Grâce has called my character into question—

Some hon. Members: Oh, oh.

Mr. Allmand: On a question of privilege, Mr. Chairman, I said that the hon. member for Waterloo South was the only honest member in that party.

Some hon. Members: Oh, oh.

Mr. Saltsman: Now that the rowdyism has settled down I think it is time to become serious. I might point out to the hon. member for Notre-Dame-de-Grâce that I have a very high opinion of him. He did an excellent job on the prices committee, as I pointed out on a previous occasion. I am somewhat surprised at his vehemence now when he rises and takes exception to the amendment introduced by the hon. member for Vancouver-Kingsway. I thought he would have risen to support it.

The hon. member talks about inconsistencies. I point out to him that the mover of this amendment is prepared to make a change in it which I am certain would satisfy him. We do not pretend that the amendment we have introduced is perfect in every detail. It is essentially an amendment of principle, a very important principle as we have tried to demonstrate. We are quite prepared to listen to any suggestion from the government side of the house.

• (5:50 p.m.)

During the course of the debate we have asked the minister whether he would be prepared to bring in an amendment to establish a prices review board and have stated that we would support a prices review board of his suggestion if we felt that it met some of the qualifications for the protection of consumers. I do not believe there is any reason to be critical of a group which acts in this way when we have pointed out our willingness to be as co-operative as possible with the government provided the government has a position to place before the house. In the absence of the government having a position, we have introduced this amendment.

I should like to recall to the hon. member for Notre-Dame-de-Grâce the proceedings of the committee. He was a member of the committee and he will remember that during the time it was in session it in fact acted very much like a prices review board; it acted very much along the lines suggested by this amendment. During the course of those sittings it became quite obvious that prices were restrained. A number of statements were made by officials of some of the very large companies in this country to the effect that they had to restrain their prices during the time the committee was sitting because it would have been injudicious not to do so. We think the committee had a salutary effect at that time. We think that something of a more permanent nature than the committee should be established on behalf of the consumers of this country.

I do not really know what the objections are to this suggestion. After having listened to the polemics and the beating of the breasts on the other side of the house I really do not know what their objections are to a prices review board. We have indicated that the amendment does not raise any constitutional problem. We have also indicated that it would go a long way toward giving the consumers the kind of protection and civil liberties they really need. The consumers would know what was going on. Surely the consumers have a right to this knowledge. Again, before the taking of the vote we would ask those members who sincerely believe that the protection of the consumer in this country is important to ensure that this bill has incorporated within it a measure that will provide a positive opportunity for the protection of the consumer.

Some hon. Members: Question.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mrs. MacInnis, Vancouver-Kingsway) negatived: Yeas 11; nays 49.

Mr. Herridge: Mr. Chairman, this is experimental legislation. I, for one, regret that the minister did not accept the amendment. As the result of experience I believe a formula could be worked out whereby the Canadian people could be informed, wherever necessary, concerning the prices they pay. However, I must say that I have every respect for the minister and I am quite sure he would not deliberately deceive the consumers of Canada.

I must take exception to the remarks made by the hon. member for Notre-Dame-de-Grâce when he said there is only one honest man in this party.

An hon. Member: Two.

Mr. Herridge: I think it would be quite fair to say that we are all honest men even though hon. members think we are misguided on occasion.

I should like to make a few remarks on clause 6 which deals with a problem of growing interest in Canada. I have knowledge of this as the result of correspondence I have had from people who are supporters of all parties in this house. They are very concerned about the increase in the cost of living over the past year or so. The debates in this house on this question and on other matters which affect consumers have even affected the government of British Columbia. That government has responded by establishing a new law for the protection of consumers which goes into effect on January 1, 1968. I should like to remind the house that in the first instance there was great reluctance on the part of the government of British Columbia to introduce this type of legislation. However, the particular attention which the matter has received to date has caused the provincial government to recognize public opinion in this regard at least to the extent of passing a bill which is largely related to the protection of the consumer who is seeking credit. Mr. Chairman, may I call it six o'clock?

The Chairman: Order. It being six o'clock and in order that the house may proceed to private members' business, I do now leave the chair.

[Mr. Saltsman.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for New Westminster (Mr. Mather), Consumer affairs—consideration of motion for inquiry into car insurance; the hon. member for Chapleau (Mr. Laprise), Canadian Broadcasting Corporation—petition concerning a program shown on CKRN-TV; the hon. member for Lotbinière (Mr. Choquette), Assistance for Lepers—Africa.

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.

Mr. McNulty: Mr. Speaker, may we by unanimous consent stand notices of motions Nos. 15 and 16? The members sponsoring these motions should be back in the house this week. May we take notice of motion No. 19 in the name of the hon. member for Winnipeg North Centre?

• (6:00 p.m.)

Mr. Deputy Speaker: I think there is already some understanding that items 15 and 16 will stand and retain their positions on the order paper. Shall we therefore proceed with item No. 19?

Some hon. Members: Agreed.

OLD AGE SECURITY

PROPOSED INCORPORATION OF SUPPLEMENT INTO BASIC PENSION—PAYMENT AS OF RIGHT AT AGE 65

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give consideration to amending the Old Age Security Act to provide for the full amount of the income supplement provided thereunder to be incorporated into the basic pension, and for the eligible age to be lowered immediately to 65, so that all persons in Canada 65 years of age or over who meet the residence requirements will receive the full pension of $105 per month without any income test, the full amount of the old age security pension thus being recognized as a matter of right.

He said: Mr. Speaker, the terms of the resolution which Your Honour has just read from the chair are quite clear. It is our view

that the full amount of the old age security pension, which is $105 a month at the present time, should be paid to all our old age security pensioners without any income or means test on any portion of it. It is also our view that the provision for the old age security pension to be payable at age 65 should come into effect immediately, rather than on a year to year basis as is the case at the present time.

Obviously, the presenting of this resolution is an expression of opposition to the idea of an income or means test on any portion of the old age pension. In case anyone has forgotten it—and I find that hard to believe—we in this party took a very strong stand against the so-called income test which was put on the extra $30 that was added to the old age security pension by legislation enacted in 1966. We felt then that it was wrong in principle to take this retrograde step. We still feel it is wrong in principle and that parliament should call upon the government to take action to correct the mistake that was made in 1966.

When I think of the debates we had on this matter last year, I am aware of the fact that arguments were put forward both ways. I am also aware of the fact that it was felt in some quarters that we should try this method for a while to see how it would work out. But I suggest that the experience of our people has already demonstrated it was a retrograde step that the government asked parliament to take.

I have been actively interested in old age pensioners and old age pension legislation long enough now to have seen three phases of it so far as our people are concerned. I saw for a good many years the effects of the original old age pension act, with its means test, on our older people. I am talking about the pension that was initially $20 a month, which rose by stages to $40 a month, was payable only at age 70 and had a means test on it. I remember very well how in those days the people who drew that pension felt the stigma that went with it. They were not happy to say they were on the old age pension because it meant they had submitted to a means test and were in dire circumstances.

Then I lived through the period, as most of us in this house have, when we had an old age security pension the full amount of which was free of a means test of any kind. That was true from January, 1952, until the end of 1966. During that time it became a matter of pride for older people to be able to say they were on the old age pension. In the earlier years of that 14-year period the amount was a little more valuable to people than has been the case more recently, but even apart from the amount there was a definite change in the attitude of people toward the old age pension, both those who received it and those who did not, because it was completely a matter of right.

Now we are in a third period, the period of a means or income test on a portion of the pension. It has been in effect for only ten or 11 months and yet already my mail and my contacts tell of hundreds of people who are feeling the indignity of the income test to which they have to submit. I regret as strongly as I can the fact that parliament took this retrograde step. I also regret the fact that there seems to be a tendency to say in this place: Oh, we have dealt with the old age pension question. Why don't you leave it alone for a while?

To support the statement I have just made that there are people who are unhappy about the way in which the income or means test is affecting them, may I cite one particular kind of grievance to which, as a matter of fact, the hon. member for Ontario (Mr. Starr) alluded in a question he put to the Minister of National Health and Welfare (Mr. MacEachen) on the orders of the day this afternoon. I remind you, sir, that when we were debating the so-called guaranteed income supplement the theme, the insistence of the minister was that under this legislation people would be brought up to a minimum figure; no old age pensioner would have any less than a total of $105 a month. One of the guarantees the minister gave when we were debating this legislation was that if a person's income changed during the course of a year from what he had estimated it would now be, an adjustment could be made. This is not true for all our pensioners.

I have cases—and I have spoken to the hon. member for Ontario since he asked his question today and find he has precisely the same kind of cases in his experience—where this principle that the minister guaranteed is not being carried out. Let me boil it down to one instance. I will call this woman Mrs. M., because her story has been written up by a columnist in the Winnipeg *Tribune*. Mrs. M. is a woman who at the time her husband died in 1962 was awarded, by the company for which he had worked, a five-year pension. I am not commenting on the fairness or rightness of such a pension, but it is a fact that she was awarded a five-year pension which ran from the spring of 1962 until the

spring of 1967. Accordingly, in the year 1966 she drew the full amount of that pension from the company for which her husband had worked. When she applied for the guaranteed income supplement for 1967 she of course had to report the total income she received in 1966, and it included this pension, so-called, for 12 months. The result was that her guaranteed income supplement for 1967 was reduced accordingly and she received about $3 a month.

Then 1967 comes along. Mrs. M. draws this so-called pension for only three months, January, February and March, and then it is discontinued. She was under the impression that the guaranteed income supplement was designed to guarantee that every old age pensioner would have not less than $105 a month, so she applied for a readjustment of the amount of her pension. She went to the appropriate officials and to various people, and friends of hers have written to me giving me the full particulars.

• (6:10 p.m.)

I am raising this matter here although I have tried to do something about it in other areas. I have been in touch with the appropriate officials of the Department of National Health and Welfare and I have received letters from them in which the act has been cited to me. I was told by these officials that there are only two cases in which a person can have his income supplement readjusted during the course of the current year. One is if his income is reduced because he stops work in that year and retires, and the other is when there is a change in his marital situation. In any other instance a person whose income is cut down during the course of the year cannot get any adjustment in that calendar year. This is the situation despite the minister's assurance last year that although people would apply for the supplement on the basis of their income in the previous year, in some cases they would be able to give an estimated income for the coming year or to get an adjustment during the course of the year.

But now, as if it were not bad enough for Mrs. M. to have to continue with $3 a month for the balance of the year instead of receiving the full $30 to bring her up to $105, let us consider her situation in 1968. When it comes to applying for the guaranteed income supplement for 1968, she will have to report her income in 1967 which included three months of this so-called pension. She will not get one cent of it in 1968, and yet her 1968 income supplement will be based on the income she had in 1967 because she will not fit into the category of those whose incomes are reduced because of retirement or a change in marital situation.

I earnestly hope that this is one of the bugs which the Minister of National Health and Welfare (Mr. MacEachen) said this afternoon the government would like to iron out. But I suggest that even after such a bug has been ironed out the act will still not be good enough. I point out that one of the things about which people are very upset, people who are on the guaranteed income supplement, is that they have to apply again to get it in 1968. We in this parliament who argued, debated and fought over this measure know this is the case, but every day I receive letters from people who are horrified at this. They thought that at last when they received this supplement it would increase their pension and they would continue to get it, but lo and behold they have to apply for it each and every year and again submit themselves to a so-called income test which to them is a means test.

It is also a fact that because of the changes which take place in the incomes of people, there must be scores, perhaps thousands, whose cheques have to be changed by the people who send them out on behalf of the federal government. I suggest that an expense is developing in that connection which is certainly not worth the indignity which these people must suffer. So it seems to me that the arguments we put forward in 1966 have been borne out. We have taken a retrograde step and we have taken the heart out of many of our old age people, and this is the very opposite of what we were doing when we gave them a pension which was completely free of a means test. It is still my view that despite all the highfalutin' philosophical arguments that have been put forward about social security measures and so on, one of the best pieces of legislation we ever passed in the parliament of Canada was the old age security pension which became effective in 1952 and which was completely free of a means or an income test of any kind. It is my view that we should get back to that just as soon as we can.

I point out that still another problem is hitting us in this field and it will hit us even harder as time goes on. I am referring to the way in which the cost of living and the standard of living escalate after a person goes on pension. Just recently I have been dealing with a friend who is around 60 years

of age and who may be able to retire by accepting a slightly smaller pension than he could get if he continued to work until the age of 65. He has asked for my advice and I told him that amongst other things he should consider the future of our economy. I asked him whether he thought he could get by for the rest of his life on the pension which he will receive now at the age of 60. I said to him, "Look, my friend, you are in good health and you are only 60 years old. You have a good chance to live to the year 2000. Do you think that the pension you are now able to draw will be good enough for the conditions of life in the year 2000?" The answer is, no; some arrangement must be made for pensions to escalate.

I produce this argument with regard to retired civil servants at least once a week, but I think this will have to be done for all our people, and it is logical and sensible to accept the proposition that the over-all old age security pension without a means test must go up progressively as the years go by. It is not sufficient to grant a supplement on the basis of a means test. Ever since I put this resolution on the order paper on May 9 asking that the full pension of $105 a month be paid to everyone without a means or income test of any kind, conditions have changed to such an extent that now I would have to amend the figure of $105 a month to $125 a month because of the way in which costs have gone up since then and the way in which the living standard has gone up. I say to hon. members that there is no point in being shocked at the idea of this further increase. The standard of living of other people is going up. We think that people who retire, whether it is at the age of 60 or at the age of 65, should not be asked to live for the rest of their days on the same amount of money and thereby have to take a gradual decline in their actual as well as their relative standard of living.

Therefore, as I said, if I were proposing this resolution today I would go a step further and say that the old age security pension should be $125 a month rather than $105. But one cannot change the resolution at this point, and I would emphasize my contention that the most important part of this motion is not the amount of money that is mentioned in it but rather the principle of universality. Let me repeat again—and I know I have said it in the house hundreds of times—that one of the finest things we ever did was back in the early 1950's when we adopted a universal old age pension. All our people received it as a matter of right. Parliament took a retrograde step when we put part of it on an income test, and I hope we will soon get back to the progressive position we took in the early 1950's and pay the full old age security pension to all as a matter of right.

Mr. E. Nasserden (Rosthern): Mr. Speaker, in rising to deal with the motion put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) I should like to place on record the position of our party regarding the period which has just elapsed. We believe that the means test incorporated in the legislation put forward by the government some months ago was the meanest test of all, particularly when inflation and high costs are a part of the everyday life of our communities and particularly in view of the fact that this measure affects those people who have contributed so much in the past to the productive capacity of our nation today. I agree with the hon. member who has just resumed his seat that assistance should be made available to our senior citizens at the age of 65 without the escalating feature which was incorporated into the legislation brought forward by the government some time ago.

• (6:20 p.m.)

I know there are those who will say that the government cannot find the money to provide this assistance. If that argument is valid, then it is valid when applied to other expenditures the government has been making. We should compare them on a priority basis to ascertain whether or not this argument holds water. I think of the expenditures being made on behalf of the C.B.C. amounting to $140 million and perhaps next year $180 million. I think of the plight of the senior citizens of our country and I cannot help but feel that part of the money expended on the C.B.C. probably could have gone to help these people had proper priorities been established by this parliament and by the government. I think of the expenditures that were made by Canada in order to have Expo. I am one of those who believe that the expenditures made for Expo were well spent. Here again, however, we find that a tremendous amount of money has been spent in order that we might celebrate the centennial of our confederation.

When we have asked questions of the Minister of National Health and Welfare (Mr. MacEachen) with regard to the possibility of a centennial bonus of $100 for our senior citizens, we have been met by silence. I

say to you, sir, that this ill becomes a government that is trying to celebrate the centennial of our confederation.

In talking about our senior citizens at this time I want to add one additional argument to indicate what could have been done. I remind you, sir, and members of the house that since this government came into office some four years ago more than 10,000 civil servants have been added to the payroll. This represents 300 members of the civil service for each member of the government elected in 1963. In other words, the cost that Canadians have had to bear in order to have a Liberal government during the past four years has been an additional 300 civil servants for each member of the House of Commons elected by the Liberals in 1963. If we say that these civil servants are on a modest salary of something like $5,000 or $6,000 each and each has a secretary being paid about $4,000 with office equipment at $1,000 or $2,000 each, we have an expenditure per civil servant of $10,000. If the true figure were known, it would probably be twice that. The minimum cost, therefore, of these civil servants would have been about $3 million. This cost is being borne entirely by the people of Canada in order to sustain this government in office, and yet the government says it cannot grant the senior citizens of this country the things that are set out in the resolution we have before us.

When we have asked for a centennial bonus for the senior citizens of this country, government ministers have been silent. When a resolution like this is before the house we find the Minister of National Health and Welfare absent, not caring enough to be here to listen to the debate and let us know why the government has not seen fit to make this provision.

I say to you, sir, that had the government wished to take care of the senior citizens of this country, had they established proper priorities, we could have provided this assistance without in any way endangering the orderly development of our nation. After all, when we look at the swollen civil service we have today, when we realize some of the waste that is taking place in departments that have been built up in the way the Department of Industry has been, then I cannot help but ask those on the government benches to give a little more consideration in working out priorities and try to do something to meet the challenge embodied in this motion.

[Mr. Nasserden.]

[*Translation*]

Mr. L.-P. Neveu (Shefford): Mr. Speaker, I am very happy to speak tonight on this most important motion.

I have often listened most attentively and respectfully to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles). He is an experienced parliamentarian who never misses an opportunity to make a valuable contribution to the debate in this house.

Nevertheless, when I heard him speak on social security, more particularly on the old age pensioners and guaranteed income supplement to the aged starting at 65 years of age, I realized how much easier it is to sit on the opposition benches than on the government side.

I am, however, most happy to rise in this debate, because I am a member of the party that fathered almost all, if not all, the social security measures benefiting Canadians today from ocean to ocean.

Mr. Speaker, in spite of these objective remarks, I must say that I share the feelings of the mover of this motion to the effect that we should aim more and more at a wider distribution of social security, thus giving greater justice to all but, obviously, when a question of social justice is involved, social equality must be more particularly mentioned, not social inequality.

If you will allow me, Mr. Speaker, in order to make my meaning clearer, I shall review certain facts and quote statistics which will enable us to better grasp the situation.

As a matter of fact, the Canadian parliament has already recognized the need to maintain incomes by passing, in 1966, an act on the guaranteed income supplement. The purpose of that plan is to ensure old age security pensioners a monthly minimum income of $105, during 1967, by adding a supplement of up to $30 a month to the pension of those who have no other source of income. The plan also provides, for 1968 and subsequent years, the possibility of increasing the guaranteed minimum income, according to the increase in the cost of living.

Indeed, those increases have been announced and they will become effective in 1968, for both the old age security pension and the guaranteed income supplement.

At the most, those increases will boost the payments to $107.10 per month. I am convinced that the income supplement plan now in force gives our old people an income more efficiently and at a lower cost than would be

the case under a formula such as the one proposed by my friend, the hon. member for Winnipeg North Centre (Mr. Knowles).

In fact, we do not need that formula, because the income supplement plan meets the needs of the present situation better.

One of the great advantages of the guaranteed income supplement is that it allows for calculating the payments granted in terms of an estimated income.

The motion of the hon. member would make this supplement universal and would provide an additional income to many people who do not need it.

In September 1967, a total of 1,244,085 senior citizens were covered by the Old Age Security plan; of this number, 717,845 pensioners, or 57.7 per cent, received partial or full payment of the guaranteed income supplement. These figures mean that, in 1967, there were 526,960 pensioners, or 42.3 per cent, eligible to Old Age Security allowances, whose income exceeded the permissible limit for payment of a guaranteed income supplement, namely, $1,620.

Of those who received guaranteed income supplement allowances, 436,011 pensioners, or 60.7 per cent, were entitled to full payment, while 281,834 others, or 39.3 per cent, were entitled to partial payment.

The motion introduced by my hon. friend would increase these payments for all pensioners. This would not only increase expenditures, but it would also be unfair toward pensioners with moderate or relatively high incomes.

• (6:30 p.m.)

The proposal of the hon. member for Winnipeg North Centre would result in a considerable increase of costs. The expenditures thus added to relate the total amount of the supplement to all pensioners receiving old age security payments in 1968-69 would reach about $300 million. Additional expenses caused by the decision to extend these payments to all those between 65 and 66 years of age in 1968-69 would be about $200 million; accordingly, the amount of new expenditures for 1968-69 caused by this proposal would run to about $500 million. This would bring about an increase in expenditures for 1968-69 totalling about $2 billion.

Of course, when considering these things —objectives are always praiseworthy—we must understand that, as administrators, we are delegated to attend to proper management of the country's business and to pass adequate legislation.

I often hear members on the other side of the house, and especially from the hon. member's party, saying that the government does not do enough. If we were to carry into effect all measures and good suggestions submitted to us, we would fall into such excesses that the government would be the first to show the way to inflation by increasing its public expenditures.

However, every time mention is made of increasing taxes or imposing new measures requiring the co-operation of all citizens, then the government is accused of taking dollars from the taxpayer's pockets. Such a situation is normal. The hon. member who has been here for a long time has certainly made his mark, since he has always kept the confidence of his constituents, but we must say that, at the present time, in 1967, we distribute, we administer the funds committed to us, but we cannot work miracles. That does not exist in the public service.

We must administer without a deficit and in a climate of social justice. We must not throw off balance the small wage-earners, those who want to benefit from that social equality, for instance.

The problems of the old, which I feel very deeply, must be considered quite objectively but they must be solved with equality in mind.

For instance, I know very well that if I were 65, today or tomorrow, and arrived in my constituency, I would not need a guaranteed income supplement, but I would be happy if the majority of my constituents, who are not as well off, who worked hard for their children, who did not spare their health or their time, and who contributed also to the old age security fund as citizens, received a supplement. All that would help promote social justice and the welfare of the population.

The additional amounts suggested in that motion would in most cases go to people who tend to be great consumers, and that would increase the demand for consumer goods and services. As a result, other increases would have inflationary effects on prices and costs. The additional expenses should be supported out of the old age security fund. On the other hand, various taxes would have to be increased: personal income tax, corporation—

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

The Acting Speaker (Mr. Rinfret): Order. Is the hon. member for Rosthern (Mr. Nasserden) asking whether the hon. member for Shefford would allow him to ask a question?

Mr. Neveu: After my speech, with pleasure, Mr. Speaker.

—personal income tax, corporation income tax and sales tax. At the present time, this would have some undesirable economic consequences.

New expenditures must be studied in the context of the other priorities to be respected. One of those, especially for the old people in Canada, is the setting up of an adequate medicare plan. Older people usually need more medical attention than the others. That is what is important.

The hon. member knows very well that when he meets his electors over the week end, most of them are often older persons who receive pensions, but who have bills to pay for medical supplies, or medical services, often reaching $30, $40 and $50 a month. Social justice surely demands that we consider the mass and those excellent suggestions in the future. But let us use them today to eliminate the present situation and to give us a truly complete social mechanism.

I feel that, at the present time, it is urgent that Canadians should be given a decent health insurance program. I am pleased that the present minister is dynamic, extremely perspicacious, and that he has the social security of all Canadians at heart, just like his predecessors in the past.

The newspaper *La Patrie* of Montreal published an eloquent article on poverty on June 4, 1967. It is often said that the poor and the old are ill more often, that they need medical assistance oftener. I think that with the savings of the wise administration we now have, we will be able to give Canada and the Canadians a health insurance that will give greater social equality and allow, once again, the central government to assert itself and say to the provinces: We have something to present, we have something to give you; you are free to refuse it or to accept it, but the government of Canada wishes to bring, from sea to sea, social justice to all Canadians, English-speaking, French-speaking, or whatever the language they may speak.

I think that when we relieve someone of hardship, hunger, when we create social equality, when we pass legislation as did this government, when we pass a bill which is complete, that is unpartitioned, but which takes into account social facts, then we are doing something for Canada, we are doing something for its people, because when one is happy, when one has a homeland, one of course has something to live for, to hope for, a striking example to pass on to future generations. In fact, I think that the most striking example is to be able to say that, in this house, we have contributed to the improvement of social security, we have contributed to establishing not perfection of course—since perfection is unknown in this world and no one is naturally perfect—but something concrete. In my opinion, we have all the qualities, the sense of liberalism required to see things as they must be seen, all across Canada, and with a very broad outlook.

• (6:40 p.m.)

We must be proud enough to tell those people: We would like everybody to get $105 per month at 65 or even at 60 years of age, but the economic situation does not allow for such a provision.

I know some 50 or 55 year old unemployed who come to my office. They are pitiful. I would like to help them. I think that these citizens, who are understanding people, will realize that this is for the future good of the whole people; they can be proud to be Canadians, because not only their fellow-Canadians, their parents and their friends, but above all their children, will be able to take part in progress and in a better Canadianism. I am convinced that it is good administration on the part of the government which allows us to reach that goal.

This is my first term in this house, and I fully appreciate the extraordinary work done by the right hon. Prime Minister (Mr. Pearson), the members of the cabinet, the ministerial team and the right-thinking people in this house. I am proud, at this time in our history, to belong to a government which stands up, assumes its responsibilities and protects, with much concern for equality—because equality is always relative—the true democratic rights of all the citizens of all nationalities.

[*English*]

Mr. Nasserden: May I ask the hon. member a question? Did I understand him correctly to say that adopting a full pension for senior citizens would cause inflation? Surely he was not serious in that suggestion?

An hon. Member: That is a serious question.

Mr. Knowles: That is what he said.

Mr. Choquette: The question is out of order.

[*Translation*]

Mr. Neveu: My hon. friend will forgive me for replying in my mother tongue, for it makes me feel more at ease. In any case, he will understand what I say, through our interpreters. We are working quite amicably in close co-operation.

My hon. friend will recognize, as I do, that during inflationary periods, there is an imbalance in currency volume, due basically to three factors: prices, products and wages. It behooves the government to set an example for other agencies in order to stabilize the economy and prevent inflation.

Being aware, indeed, of the knowledge and experience of my hon. friend, I should think he will greatly appreciate my remarks.

[*English*]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, it will be hard to follow the previous act—

Mr. Knowles: En français; en français.

Mr. Deachman: If my hon. friends do not mind, I shall leave French this afternoon to others who are more fluent and impassioned in that language.

This afternoon's debate is interesting because it recalls to mind the debate in this chamber when the guaranteed income supplement, which provides for a minimum income for senior citizens of $105 a month, was brought down. That debate divided itself on party lines. The parties of the hon. member for Rosthern (Mr. Nasserden) and the hon. member for Winnipeg North Centre (Mr. Knowles) were prepared to increase the old age pension to $100 a month. The Minister of National Health and Welfare (Mr. MacEachen) argued that we must do something more basic than merely increasing the pension to $100 a month; we ought to introduce a guaranteed income supplement. After that, the guaranteed income supplement was brought down.

The supplement enabled the government to guarantee $105 a month to those who have no income, instead of the $100 a month which would have been paid to them had the party of the hon. member for Rosthern or that of the hon. member for Winnipeg North Centre been in power. The government went beyond that and for the first time tied the pension supplement and the pension to a pension index. As a result, we see the pension rising to meet the rising cost of goods and services which our old people must obtain.

Mr. Knowles: By how much?

Mr. Deachman: I will give my hon. friend the figures; I have them here. The increase which has been announced, and which will come into effect in 1968 will bring the guaranteed income supplement up to a minimum of $107.10 a month. I am as willing as anyone to say that inflation at the moment is rising more quickly than the pension index is rising. I also point out that by not adopting arguments to make the old age pension a flat $100 a month, our old age pensioners who receive the supplement will be $7.10 a month better off. They will be $7.10 better off than if the party of the hon. member for Rosthern or that of the hon. member for Winnipeg North Centre had formed the government.

In September, 1967, information available shows that 1.25 million old age pensioners lived in this country. Working out the difference in payments, one may calculate that $7.5 million a month extra is paid to our pensioners. That extra payment would not have been made had a government of either of the gentlemen I mentioned been in office. The total extra payment is about $90 million a year.

The hon. member for Winnipeg North talks about the indignity, as he calls it, of our old people having to submit to a test. They must file an income tax statement. That test every working man in Canada understands. I suggest that it is not so bad when, in common with everybody else in the country, one has to file an income tax statement. It is not so bad when, after filing that statement, one receives—and I am speaking collectively—$90 million a year. Without the indignity of that test, to use my hon. friend's expression again, would that $90 million a year be paid out if—

Mr. Knowles: May I ask a question? That additional $90 million is not coming from the government, surely. The government calculates what income our old people have, and those calculations are taken into account in this so called guaranteed income situation.

Mr. Deachman: No. This additional $90 million comes from the government. I am talking about the difference between having the pension at $100 a month, and increasing the monthly payments by the amount paid under the guaranteed income supplement.

Mr. Knowles: Will the hon. member permit another question? I am not trying to argue, I merely want to get this clear. When the hon. member talks about $90 million, he talks about an extra $90 million that our old people will be paid?

Mr. Deachman: Yes.

Mr. Knowles: Actually we accepted the $105 figure; but I am not arguing that. This $90 million does not all come from the federal government. Many of our old age pensioners have their own money. Under the government scheme many are getting only $75 a month from the federal government, and not any more.

Mr. Deachman: That is all they are entitled to if their total earnings are of the order of $105 a month or more. The government adopted the figure of $105 a month because it wanted to guarantee a floor, under the earnings of pensioners, at $105 a month. If a floor is put under them, then of course we must have the right to examine their incomes. The customary way of declaring income in this country is by filing an income tax form. I suggest there is no indignity attached to that procedure.

• (6:50 p.m.)

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

Mr. Deachman: I have some figures I wish to put on record. I will try to find time for the hon. member's question later.

One of the prime advantages of the supplement is that it distributes payment on the basis of earnings or incomes. The proposal suggested by the hon. member for Winnipeg North Centre would make the supplement universal and thus provide increases for many who are not now in need.

Mr. Knowles: How many?

Mr. Deachman: I will give the figures. In September, 1967, there were about 1,250,000 old age security pensioners of whom 718,000 or approximately 58 per cent were receiving full or partial income supplement payments. This means there were 527,000 old age security pensioners in Canada, or 42 per cent, who were receiving incomes in excess of $1,620, which is the qualifying level for a guaranteed supplement.

Of the total number receiving the income supplement, 436,000 or 60 per cent were receiving the full amount and 282,000 were receiving partial payments. The hon. member's proposal would increase benefits to all pensioners. Not only would this add to the cost but it would create an inequitable situation as between pensioners on low incomes and those on relatively high incomes.

The argument I wish to make this afternoon is that it is beyond our financial limits, I believe, to continue to raise the pensions of all old age pensioners, and raise it to a level at which people are enjoying proper retirement. This government has taken two major steps toward enabling Canadians to retire in dignity. One of these is the implementation of the guaranteed income supplement, which provides for a good deal better rate than could have been paid under the plan which hon. members opposite proposed. The other was the introduction of the Canada Pension Plan which confers benefits by way of transferability and other advantages which hitherto have not been available to most Canadians. These two pieces of legislation together have gone further than any other government measures we know toward underpinning the retired Canadian; we have had nothing like this in Canadian history before.

Members of the N.D.P. and members of the official opposition know that when we began to discuss this legislation in the house, all they were asking for was a simple $100 a month to the pensioner. We would in no way be underpinning Canadian pensioners on retirement, or offering them substantial real benefits, as we have done under the supplementary plan and under the pensions plan, if we had been content with this proposal. These were great steps forward in social legislation. And it was Liberal legislation. It was not N.D.P. legislation; they rejected those ideas. It was not Conservative legislation; they rejected those ideas. They were Liberal schemes, and it is to the credit of the Liberal party that they are on the statute books.

Mr. Knowles: Would the hon. gentleman like to make it clear that while it is true we rejected the income test attached to the income supplement we did not oppose the Canada Pension Plan? We fought harder for the government to bring it in than did government supporters themselves.

Mr. Deachman: Since its inception the N.D.P. has taken credit for fighting harder for things this government has done than has the government itself.

Mr. Knowles: Isn't it true?

Mr. Deachman: I don't know. It is a good arrangement, and if that is the way hon. members opposite want it, I suppose it is a suitable way to do things. We shall implement the legislation, and they can grunt hard for it as we do so.

Mr. Knowles: You have to get your ideas from somewhere.

Mr. Deachman: I want to make another point before I sit down. The hon. member's proposal would lead to a considerable increase in existing costs. The cost of extending the full supplement to old age pensioners in '68 and '69, as he would do, would be approximately $300 million. The additional cost of making these payments to those aged 65 and 66 would be a further $200 million. Thus the total additional cost would be roughly $500 million. Is that what the hon. member is suggesting this afternoon?

In two or three days it will be budget day, when we shall be called upon to face problems brought about in part by the expansion of social measures. We shall be called upon to face the fact that our productivity is not growing as it should. Does the hon. member wish to burden us at this time with a scheme which would mean $500 million additional expenditure? This thinking is of course what brought Great Britain down, under the government of a party which is very similar to that to which hon. members in that corner of the house belong.

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

Does the house agree to resume the business which was interrupted at six o'clock?

Some hon. Members: Agreed.

CORPORATE AND CONSUMER AFFAIRS

PROVISION FOR ESTABLISHMENT OF DEPARTMENT, APPOINTMENT OF PERSONNEL, ETC.

The house resumed consideration in committee of Bill No. C-161, to establish a department of corporate and consumer affairs—Mr. Turner—Mr. Batten in the chair.

The Chairman: Order. As it is now seven o'clock, I do leave the chair.

At seven o'clock the committee took recess.

27053—300

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: House again in committee of the whole on Bill No. C-161, an act to establish a department of corporate and consumer affairs. When the committee rose, it was considering clause 6 of the bill.

On clause 6—*Duties re consumer affairs.*

Mr. Herridge: Mr. Chairman, before proceeding with my brief remarks I cannot resist mentioning the fact that you cut a most impressive figure in your traditional robes.

Before six o'clock I had dealt briefly with the fact that I was rather disappointed that the minister was not willing to accept our amendment to what most of us realize is an experimental form of legislation. I dealt with the general and continuing interest in the problem of the cost of living, and I mentioned the legislation that had been passed in British Columbia as the result of a response to public opinion.

On second reading of this bill I dealt primarily with that portion of it which provides for information and education, and the next day I was very pleased to receive some very complimentary comments from members of trade unions who thought I had dealt with a very necessary aspect of the bill. I must say that I am very interested in clause 6(1)(d) and all the matters which come under it. I must also say I am interested to note that there are trade unions which take an interest in wider matters than wages and working conditions, and which are willing to participate with any level of government to make legislation work that is intended to be in the general interest.

Mr. Bell (Carleton): Shall we discuss the issue and come to the point?

Mr. Herridge: I have just arrived at the point, and I am rather surprised at that remark from the hon. member for Carleton, who sometimes wanders far afield himself. In this connection I wish to quote from *Canadian Transport* of November 15, 1967—and this is directly related to clause 6(1)(d):

> All Canadian workers have it within their own power to give themselves the equivalent of a 12 per cent wage increase. They can do it simply by learning how to spend their present income less wastefully.

That is true in some cases.

> That's the message of *Transport's* consumer affairs expert, Sydney Margolius, in his latest book, "The Innocent Consumer vs. The Exploiters."

Margolius estimates that the average family wastes about one dollar out of every eight spent. For a family with an annual income of $6,000, this means $720 down the drain. Over a 20-year period, that amount, if saved, would pay all university expenses for two children.

Why do people habitually spend more than they have to for food, medicines, home furnishings, clothing, insurance, and other goods and services? Mainly because they are fooled by deceptive advertising and shady sales gimmicks.

I might say that this is a quotation from an article "Minority Report", written by Ed Finn, an editorial writer for *Canadian Transport.*

"Consumer exploitation," says Margolius, "has replaced labour exploitation as the real problem of our times. We would not permit the things to be done to people as workers that we allow to be done to them as consumers."

The shocking examples of consumer exploitation he documents in his book dramatize once again the failure of most labour unions to extend the protection of their members beyond the narrow confines of offices and plants.

That is a complaint I have often brought to the attention of trade union members whom I have the honour to represent, although fortunately the trade union members I represent have taken a wide interest in such issues as the conservation of natural resources and the development of water resources. To continue with the quotation:

Some unions, of course, do provide some consumer services to their members, in the form of health clinics, consumer advice classes, and credit unions. One union even supplies free legal aid to members in financial trouble. But the vast majority of unions continue to limit their services to the work-place, leaving the members to fend for themselves in the modern marketing jungle.

This is an article of some length, but strangely enough it deals with some of the questions that I raised during second reading of this bill. It goes on to say:

One of the biggest frauds is the modern "balloon" bread. This is a one-pound loaf baked in a 1½ pound pan so that it expands to a larger volume. The added volume, of course, is nothing but air. Unfortunately, most housewives accept the larger loaf at face value, and pay more for a product that provides up to one-third less nutrition.

Another exorbitantly priced product is the dry breakfast cereal, especially the sugar coated kind, for which the consumer pays $1.07 a pound for the sugar alone. That's a steep price to pay for the convenience of not having to sprinkle on the sugar by hand. By serving the kids cooked porridge, you not only gain financially but nutritionally as well.

• (8:10 p.m.)

I certainly agree with this unionist attitude toward the question. The article goes on in this way to deal with another matter which I mentioned at that time:

Buying on credit is another costly trap for consumers. The average family spends $250 a year on credit fees alone, because they use charge accounts or borrow from finance companies. If they joined a credit union instead, and used its services, they could cut their annual credit fees to $75.

Most families also pay unnecessarily high prices for drugs. Take aspirin, for example. It can be purchased, under its generic name, for one-fifth of the cost of Bayer aspirin, or Anacin, or any of the other heavily-advertised headache tablets; and it is just as effective. Still, most people stubbornly continue to buy advertised brands.

Even prescription drugs, under their generic names, can be bought for a fraction of their brand name counterparts. The trick is to insist that your doctor make out his prescription for the generic drug.

I think this is a very useful article, in this edition of *Canadian Transport.*

Mr. Roxburgh: Mr. Chairman, may I ask the hon. member a question. He has pointed out some very important facts. I should like to ask him whether in his opinion the consumers themselves—not wholly but partly—are responsible for these high costs about which the housewife is talking.

Mr. Herridge: Mr. Chairman, in some instances the consumer suffers by his own ignorance, also because of the lack of information on this subject through government sources in the past, and because of the lack of education. This is the reason I was very interested in the speech made by the minister from which I quoted in my few remarks on second reading. I was very pleased to be complimented by the trade unionists for having dealt with this aspect of the question, which in my opinion is very important indeed.

I believe that under this bill there will be an opportunity to provide this information which is required if the organizations are willing to participate and provide information through the advisory council, so that the consumers will know the real nutritional and other values of the goods they intend to purchase. This is the reason I am particularly interested in clause 6. Subclause (1)(d) provides that the minister shall undertake, recommend or assist in programs to assist the Canadian consumer to be more fully informed about goods and services offered to the consumer. Then, the second part of this clause reads as follows:

For the purpose of carrying out his duties and functions under this act, the minister may undertake research into matters to which the powers,

duties and functions of the minister extend, co-operate with any or all provinces or with any department or agency of the government of Canada or any organization or person undertaking such research and publish or cause to be published, or assist in the publication of, so much of the results of any such research as the minister deems appropriate and in the public interest.

I believe this clause provides an opportunity for a minister who is alert to the situation. If the full intent of this clause is implemented by the minister, then the consumer cannot help but reap some benefit from the application of this measure. I have always been a bit of an optimist, you know. I have not had an easy time in life, on occasions I have had to struggle for my living. However, I have always taken the attitude that when things look dark it is better to light a candle than to curse the darkness. It is on that basis that I support this bill, and particularly this clause of the bill.

[*Translation*]

Mr. Simard: Mr. Chairman, I wish to make my contribution to the debate on the bill under consideration.

One would have to have one's tongue cut off, or still be completely voiceless to refrain from taking part in the debate on this same bill which seems to me to be vitiated by deficiencies and defects detrimental to the Canadian people, who have a right to expect greater objectivity and protection on the part of present legislators.

Numerous amendments submitted to our approval are not, or will not be, likely to solve the problem which now faces the Canadian consumer. I am thinking especially of the amendment moved by the hon. member for Waterloo South (Mr. Saltsman) which suggests that the fate of consumers, worried and squeezed by the excessive and frightening increase in the prices of essential consumer goods, be entrusted to another crown corporation. This amendment which is quite subtle, I agree, cleverly sanctions control of socialism diametrically opposed to private enterprise—

The Deputy Chairman: Order. I wish to remind the hon. member for Lac-Saint-Jean that an amendment has not yet been put before the committee by the hon. member for Waterloo South; the hon. member gave notice to the committee that an amendment would be moved, but no amendment has yet been submitted by the hon. member for Waterloo South.

Mr. Simard: Mr. Chairman, I thank you for clarifying the matter.

As a solution and cure to the excessive cost of consumer products, I move, seconded by the hon. member for Portneuf (Mr. Godin) that:

That subclause (1) of clause 6 be amended by adding thereto, immediately after paragraph (d) thereof, the following new paragraph (e):

to establish a national credit commission which would be authorized by the Bank of Canada to reassess and adjust consumer prices and compensate any differences by a two-price policy.

Mr. Chairman, any monetary or financial system that does not take into account the question of prices is bound to fail. Sooner or later, it must face the phenomena of inflation and deflation. What use then the monetary units we have in our pockets if the prices of products offered to consumers increase in the same proportion?

Now, in what way does the Social Credit technique for price adjustment limit the freedom of producers and distributors in setting their own sale price? Does the government bureaucrats know the cost price of goods offered for sale better than the producer?

The producer alone must set the conditions which he feels are most appropriate to the production process to meet the needs of the Canadian consumers, but it is not for him to set or determine the conditions under which the consumers will get his products; that is to say, the producer cannot be denied his right to get paid in full according to his sale price, but it does not matter to him if the money he receives comes in full from the consumer or if part of that money has been issued by a credit organization whose creation we recommend.

Such price adjustment could also be made at set periods, every six months or once a year. It can be called a general discount applied to all retail products. That discount could be repaid to the retailer through the issuance of credit.

This bookkeeping operation would enable buyers to pay only a set fraction of the price of the item wanted and the merchant would be compensated for the difference through a credit opened by the authorized office.

This principle of the social responsibility of the state in matters of distribution is quite in accordance with this sentence from the encyclical "Quadragesimo anno", and I quote:

For then only will the economic and social organism be soundly established and attain its end, when it secures for all and each those goods

which the wealth and resources of nature, technical achievement, and the social organization of economic affairs can give.

Mr. Turner: On a point of order, Mr. Chairman. Concerning the admissibility of this amendment, I should like to know whether the hon. member has moved his amendment?

The Deputy Chairman: No amendment has been submitted.

Mr. Simard: Mr. Chairman, I shall read that amendment again. I moved, supported by the hon. member for Portneuf, that in clause 6, immediately after subclause (d), another subclause (e) be added as follows:

To establish a national credit commission which would be authorized by the Bank of Canada to reassess and adjust consumer prices and compensate any differences by a two-price policy.

The Deputy Chairman: Would the hon. member for Lac-Saint-Jean (Mr. Simard) send me the complete text of the amendment?

• (8:20 p.m.)

[*English*]

There is an amendment submitted by the hon. member for Lac-Saint-Jean, to add to clause 6 a paragraph (e), to read as follows:

(e) to establish a national credit commission which would be authorized by the Bank of Canada to reassess and adjust consumer prices and compensate any differences by a two-price policy.

[*Translation*]

The hon. member for Lotbinière (Mr. Choquette) has heard, no doubt, the amendment moved in French by the hon. member for Lac-Saint-Jean. The Chair entertains some doubts with regard to the admissibility of the amendment and it would appreciate the enlightened and knowledgeable assistance of the hon. member in the ruling it has to make.

Mr. Turner: Mr. Chairman, I was about to suggest that the question be put to a vote, but since you insist to get some elucidation as to the admissibility of the amendment, I respectfully submit that the amendment is out of order, and for three reasons.

First, it involves the expenditures of public funds, a power which is reserved to the executive. Secondly, the resolution which preceded the bill does not provide for the creation of such board, and if we consider rather carefully that resolution, we shall find that it contained no provision concerning the creation of such a board, even on a temporary basis. Thirdly, the amendment is not relevant to the bill.

I am prepared to quote Beauchesne's parliamentary rules but among the arguments which I have put forward with regard to the creation of a prices review board I quoted some precedents with regard to the expenditures of the crown and the purposes of the resolution. However, in order to support my argument to the effect that the amendment is not relevant, I shall quote Beauchesne's citation 203, fourth edition, which reads as follows:

[*English*]

It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

[*Translation*]

I think that the remainder of the quotation is self-explanatory. Therefore, Mr. Chairman, I submit that this amendment is out of order.

Mr. Laprise: Mr. Chairman, the attitude of the minister, who is piloting this bill, does not surprise us in the least, because it seldom occurs that a minister does not defend the way his bill is drafted. As a matter of fact, in the mind of the minister introducing it, the bill is perfect and cannot possibly be amended. That is why he defends so vigorously the clauses in his bill.

The first objection raised by the minister as to the validity of this amendment, is that it will involve an expenditure of money.

Mr. Chairman, it may be seen that clause 6, subsection (1) paragraphs (a) and (b) read as follows:

(1) In exercising his powers and carrying out his duties and functions in relation to consumers' affairs under this Act, the Minister shall

(a) initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer;

But the minister does not tell us how he will go about it. He will set up or prepare programs, but he does not say what programs he has in mind nor the way in which he will apply them.

Clause 6(b) provides:

—co-ordinate programs of the government of Canada that are designed to promote the interests of the Canadian consumer;

But how will he promote the interests of the Canadian consumers? Will he suggest, as we hear too often, new taxes? This would not promote the interests of the Canadian consumers, and the amendment is intended precisely to provide in the bill a means of safeguarding and promoting the interests of the Canadian consumers, by a two-price policy, which would reduce prices without increasing the cost. Since this two-price policy would be provided by the funds of the Bank of Canada, it would not be reflected in the production costs, so that the cost of living would actually decrease, which would be in the real interest of the Canadian consumers.

As for the second objection, the hon. minister tells us that the resolution does not provide for such a board. Of course, if the resolution introduced by the hon. minister had provided for such a board, there would have been no need for an amendment, that is clear.

Third, he claims that this is not relevant to the bill. Mr. Chairman, the amendment introduced by the hon. member for Lac-Saint-Jean (Mr. Simard) is precisely intended to improve clause 6 of the bill, to make it more efficient by providing for a two-price policy to help the consumer and, at the same time, allow the government to fight efficiently against inflation and the rising cost of living.

Therefore, in my opinion, the amendment is acceptable.

• (8:30 p.m.)

[*English*]

Mr. Baldwin: I have a very brief comment, Mr. Chairman. Having lived in Alberta, I recognize this amendment as a refinement of the A plus B theorem which Major Douglas put forward in his book on social credit. I cannot accept it and I agree with the minister that it is out of order. However, I am shocked and surprised at the minister, who should recall a famous incident of several years ago when members of the present government sat in opposition on this side. At that time, an amendment having been moved by the Social Credit party, the then official opposition endorsed the famous Martin doctrine that anything goes as long as the government is beaten. Later the President of the Privy Council, with his party tenderly embraced this doctrine, and voted for the amendment. I am shocked at the members of the government who have now turned their backs on the doctrine.

An hon. Member: Those were the days of funny money.

Mr. McCleave: The members of the government have no conscience.

[*Translation*]

The Deputy Chairman: Order. I thank the hon. members for their many explanations. By addressing submissions to the Chair, hon. members enable it to consult books to which reference must be made rather often.

Here, I must, for the guidance of hon. members, quote citation 203 of Beauchesne's Parliamentary Rules and Forms:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if it is agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.
>
> The law on relevancy of amendments is that if they are on the same subject matter with the original motion they are admissible but not when foreign thereto.

I venture to draw the attention of hon. members of this committee to paragraph 3 of the citation 246 by the same author which reads as follows:

> The guiding principle in determining the effect of an amendment from the financial initiative of the crown is that the communication, to which the royal demand of recommendation is attached must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also of its objects, purposes, conditions and qualifications.

Lastly, I should like to draw the attention of the hon. members to citation 406 appearing on page 285 and I quote:

> Amendments are out of order if they are
>
> a. irrelevant to the bill or beyond its scope, governed by or dependent upon amendments already negatived;
>
> b. inconsistent with or contradictory to the bill as agreed to by the committee.

For all those reasons, I declare that the amendment is out of order.

[*English*]

Mr. Saltsman: Mr. Chairman, until the present time the house has been very unsuccessful in trying to induce the minister to insert some teeth into this legislation. He has two strikes against him, but the third time will really be out for him. The final proof of whether or not the legislation is worth while or whether it will help the consumer rests on the measures contained in it for that purpose. All we have now are some generalities, some

words regarding good intentions, and a hopeful outlook for the consumer; but there is nothing positive which will demonstrate that the minister using these powers can act effectively on behalf of the consumers.

Earlier today the minister was given an opportunity to take some action with regard to copper prices. He has turned it down. I would now like to suggest to the minister a specific area of difficulty in this country and a situation which calls out for correction, namely the high price of drugs. I suggest to him that he should examine this legislation to see what could be done to bring down the price of drugs.

In some of his previous statements the minister has indicated he intends to take some action in this regard. So far we have seen nothing of a concrete nature to help the consumer in reducing the cost of drugs. The government has thrown out a bonus; it has given away tax money for this purpose. So far we cannot see that this reduction of taxes has significantly affected the situation. There is no need to document extensively what is going on in the field of drug prices in Canada. This has been done very effectively by a committee set up for the purpose. But I would like to draw the minister's attention to a few statements to indicate the serious nature of this problem. I refer him to a statement made on February 14 and reported in the issue of the Toronto *Star* of that date. The heading reads "Alberta Study hits out at Drug Firms", and the text reads as follows:

A U.S. economist says his study of the Canadian drug industry shows that lack of price competition among druggists "is a major factor in the high cost of drugs."

Farther on Professor Steele went on to say:

Excessive sales promotion budgets of the big manufacturers create a major barrier to entry into the industry by small firms who could provide effective price competition.

Another report in the Toronto *Telegram* of February 14 stated that the Alberta government called for sweeping changes in patent, tariff, trade mark and tax laws which were proposed to the House of Commons drug prices inquiry by a United States economist, commissioned by Alberta. The article reads in part as follows:

His study said the industry here now is almost 90 per cent foreign-controlled and well able to lower the barriers that squeeze out smaller competitors.

Prices could be cut by half with annual savings to consumers of $100 million.

[Mr. Saltsman.]

We are speaking about a vast sum of money which, in many cases, is being paid by those least able to afford it. If we consider a smaller estimate such as the one put forward by the druggists, we find that it is their belief that $50 million could be cut from the customer prices. I should like to quote the following statement from the Kitchener-Waterloo *Record* of August 18:

If two resolutions passed by the Canadian Pharmaceutical Association Thursday were put into effect, Canadians could save as much as $50 million a year says association president Philip W. Goldman.

Whichever estimate the minister wishes to accept, either the $100 million or the $50 million, it is certainly an indication of the amount of charging that is taking place, due either to profiteering or to the inefficency of the drug industry in this country.

The editorial of the Toronto *Star* of April 4 was entitled "They soak the sick: Ottawa should get though on drug firms", and is as follows:

• (8:40 p.m.)

Profiteering and wasteful expensive promotion make Canadian drug prices among the highest in the world.

Then, in an editorial in the *Globe and Mail*, I read this:

The House of Commons committee on drugs seemed to doubt that it was. In its April report it suggested that the drug industry was more interested in its pockets than in sick people (except as a source of revenue.) The committee found that Canadian drug prices were among the highest in the world, up 140 per cent in the past 16 years compared with 40.8 per cent for general consumer goods, and returning profits double that enjoyed by other manufacturing industries.

As an indication of what is happening to the consumer, I should like to quote from the minutes of the special committee on drug costs and prices for Thursday, December 1, at page 1512. The hon. member for Winnipeg North is questioning the witness about government policy on buying drugs and the prices paid by the government as compared with prices paid by consumers. The record reads:

Mr. Chairman, just for the record, I would like to point out that the department was able to purchase at the price of $3.25 per one hundred, and that Parke Davis, which is the big manufacturer or distributor in Canada, offered them to the department for $6.39 per one hundred.

I made a phone call after we got this table. The list price which Parke Davis offers to retail druggists in Canada is $39.40 a hundred; the discount which the druggist gets is 40 per cent. The

retail druggist therefore pays $23.64 for one hundred of these capsules which Parke Davis offered to the department for $6.39 a hundred. I think it is an interesting comparison.

—on Librium, I notice that here again prices were asked for 10 milligram tablets in bottle sizes of 100 tablets. I notice that Hoffmann-La Roche, which tendered the lowest price offered them to the department for $2.60 a hundred in bottles of 100 tablets. The price to retail drugstores by Hoffmann-La Roche is $12 a hundred, list price.

There are many examples of this type that could be placed on the record. It is generally acknowledged by those who have looked into the situation that the drug industry is in deplorable shape and needs some corrective action. If this department of consumer affairs is to serve a really useful purpose, then it must take action to bring down the prices of drugs. We do not believe that the bill, as it is now constituted, possesses the power to use effectively all the instruments that the minister might be able to use on behalf of the consumer. The willingness of the government to consider our proposal will be an indication of how serious it is in tackling this problem.

I should like to read into the record an article written by Mr. D. H. Fullerton which appeared in the Ottawa *Citizen* for November 25. The writer raises these very interesting questions:

Action to bring down Canadian drug prices continues to move at a snail's pace.

In June the sales tax on drugs was removed, although most observers felt that this step should have awaited measures to bring greater price competition into the business.

Current proposals being considered by the government involve compulsory import licences and changes in the Trade Marks Act, which would increase the effectiveness of import competition.

Unfortunately, even if these proposals become law there is some doubt whether the impact on drug prices will be more than marginal.

In a society where the high cost of drugs is borne by those least able to afford it—the old, the sick and the poor—one may be pardoned for asking why action on drugs has not had a higher priority.

One answer is being observed in Ottawa today where the well-heeled, monopolistic, and internationally powerful drug industry has been recently mounting the most intensive lobby ever seen in the capital.

A senator with impeccable political connections is acting as contact man for the industry. Ministers, senior officials—in fact anyone who is likely to have any possible role in drug policy—are being wined and dined and courted by the manufacturers.

Several new plants are being promised for certain key constituencies—as if new jobs for a few hundred workers would counterbalance the $200 million or more the country is paying annually in excessive prices for drugs!

The effectiveness of the drug lobby was plainly demonstrated at hearings of the commons committee on drug costs and prices. One M.P. was openly being fed information and questions by representatives of the companies and of their organization, the P.M.A.C., in order that he could better interrogate witnesses hostile to the drug manufacturers.

The minister has an opportunity tonight to indicate that some of these charges are not true. He can take positive action to curtail the influence and power of the drug companies in Canada. I suggest that influence and power is being used against the consumer.

As an indication of the kind of reprehensible approach the drug companies take, I have a letter sent to me by a doctor who resented the infantile approach of these drug companies to the members of his profession. The letter has at the top a picture of two little capsules. I will not read it into the record because it is too lengthy. However, the letter, in child-like terms, goes on gently to lead the doctor to consider that these two capsules might not be alike, but it does not give him any adequate reason for saying so.

This letter is from Bristol Laboratories of Canada Limited, and is put out by a firm that at the moment is under investigation in the United States for price fixing. I should like to quote from an article in the *Globe and Mail* of October 24, 1967 which reads:

After six years of delay, the drug industry's battle of the century has begun in Federal District Court here.

The adversaries are the justice department and three of the nation's largest drug manufacturers—Chas. Pfizer and Co. Inc., American Cyanamid Co. and Bristol-Myers Co. These are charged in a three count indictment with fixing artificially high prices and monopolizing the manufacture, distribution and sale of the "wonder" antibiotic drugs that millions of Americans use.

Mr. Chairman, I should like to point out to the minister that even tariff removal on drugs, or complete free trade between Canada and the United States would not be effective in solving the problem of consumers in Canada of procuring drugs at the prices they should be paying. The same companies that are operating in the United States are operating in this country, and if they are fixing prices, arranging prices or whatever they may be doing in the United States, I think it is reasonably certain the same thing will be happening in this country. All that the removal of the tariff will accomplish will be to allow the companies to rationalize a little better than they have in the past.

The impact on drug users would be minimal. Far more than that has to be done in

order to bring this industry to heel. We believe that a provision should be included in this bill to permit the government to establish a crown corporation which could manufacture drugs, or could buy them from Canadian companies and put the government brand on them. These drugs could then be distributed directly to druggists. The crown company could operate with a minimum of advertising and could generally serve to rationalize the industry on behalf of the consumer.

What we are suggesting is not original. The government does this now on behalf of many of its own agencies. If I may, I should like to quote again from the minutes for December 1 of the special committee on drug costs and prices for December 1, page 1500. Mr. I. C. Ellis, pharmacist for the Department of National Health and Welfare is being questioned about suppliers, and he said:

> —the Department of National Health and Welfare does have a variety of programs. We all seem to go along in different directions in the procurement of drugs. The medical services branch, which covers the activities of the Indian health services and northern health services, sick mariners services and civil service health, requires pharmaceuticals and continuing supplies in varying amounts.
>
> • (8:50 p.m.)
>
> The Emergency Health Services Division of the Health Services Branch require large annual purchases of drugs and pharmaceuticals for additions to, and resupply of, the national stockpile.

There is also a general purchasing branch in the Department of Defence Production charged with the responsibility of procuring a very wide range of commodities, and among these commodities are drugs.

The amounts are not insignificant. As reported at page 1526 of the same report, in reply to a question about the amounts, Mr. Erskine stated:

> Mr. Chairman, in total dollar value I could not tell you. Certainly it is a very small percentage of individual types of drugs; but we have not yet any statistics for the two departments that are fairly new customers of ours. We have some estimates of their total requirements in a year. I think around 3½ million is what we expect. The Department of National Defence would run anywhere from $750,000 to $1 million, and National Health and Welfare would be relatively small, perhaps $100,000.

So you can see, Mr. Chairman, about $5 million worth of purchases are accounted for by Mr. Erskine. What we are suggesting is that this program, which is now operated in a somewhat divided way, be grouped together and then extended so that purchases in bulk be made not only on behalf of government departments but also on behalf of the consumers of this country. I do not anticipate that this corporation would take a very large proportion of the business in drugs in this country; but if the government were to move into this field and indicate that it intended to take action to bring down the price of drugs by this method, then the industry would soon straighten itself out very quickly. If they did not do so, the government would take over some of their business.

There has been experience of this situation in other countries. For example, in Sweden the co-ops undertook the job. They effectively reduced prices in many areas, just by moving into the market and taking a small portion of business in the market. The other companies in the field got the message very quickly and reduced their prices to a more reasonable level.

The minister has previously pointed out in argument the difficulty of establishing what is a fair price, or how one arrives at a price. I would suggest that one of the ways to establish this is in a competitive market. However in order to be sure that the price is as competitive or as low as it could possibly be under the circumstances, there must be real competition. This we have not had in the drug industry in this country. Therefore I suggest that the minister has an obligation on behalf of Canadian consumers to see that such competition and alternate supply exists for the consumers, and is obligated to seek powers in the bill that enable him to do so.

Hospitals all across Canada are now doing exactly what I am suggesting the minister should do. They are buying drugs on behalf of the consumers, who ultimately pay the hospital bills. I would therefore suggest that the minister give very careful consideration to this proposal and indicate his willingness and concern to take real action on behalf of the consumers by accepting the amendment I should like to move at this time. My amendment is as follows:

> That sub-clause (1) of clause 6 be amended by adding thereto, immediately after paragraph (d) thereof, the following new paragraph:
>
> "(e) establish a corporation on behalf of Her Majesty which shall be empowered to: manufacture, sell, distribute, and promote drugs offered for sale in Canada;
>
> supervise all advertising and promotion activities related to drugs including the distribution of samples and the content of advertising literature."

Mr. Turner: Mr. Chairman, I will be brief. I am not going to get into a general debate on the price of drugs but I am going to

question the admissibility of this amendment and object to it as being irrelevant to the bill as it stands. I am not in any way questioning the seriousness of the problem, and I am not joining issue with the hon. member for Waterloo South on the merits of his case. However, I think the opportunity will present itself to the hon. member when we debate the legislation to amend the Patent Act and Trade Marks Act which was foreseen in the throne speech, having to do with measures to be taken by the government in relation to the price of drugs. Therefore, while I am in no way minimizing the problem he has presented and am not joining issue with him, I would submit, Mr. Chairman, that the hon. member's amendment, which seeks to establish a corporation to manufacture, sell, distribute and promote drugs offered for sale in Canada, is irrelevant to the context of this bill.

We have gone through some of the arguments before, but I would object to the admissibility of this amendment on three specific grounds. First of all, Mr. Chairman, I want to repeat the argument I have already put to Your Honour respecting the prices review board, which at that time you found unacceptable. If this amendment were carried the establishment of a crown corporation would add to the expenditure of money that is chargeable to the Canadian taxpayer, and it is not within the power of a private member, according to the precedents established in this house, to present such amendment.

In this regard I refer Your Honour once more to the citations in Beauchesne, citation 246 (3) and citation 249 (1). I would also refer Your Honour to the same citations to which I earlier alluded in May's Parliamentary Procedure. The two rulings of earlier Speakers would be just as relevant, I submit, to this argument as they were when we were discussing the creation of a prices review board.

Second, Mr. Chairman, I submit the amendment is beyond the scope of the resolution which introduced this money bill. The resolution provides that the governor in council may establish a consumer advisory council and other bodies to assist the minister. While I accept your decision, Mr. Chairman, that a prices review board might be fitted within the four corners of the resolution, surely the creation of an independent crown corporation, an independent operating body having the authority and power to manufacture, sell, distribute and promote the sale of drugs, is well beyond the scope of the resolution and cannot be entertained by the committee.

My third ground, Mr. Chairman, is that the amendment is irrelevant to the purposes of this bill. This is a general enabling bill empowering the department and the minister to co-ordinate, initiate and promote the general interest of the consumer. The general interest of the consumer in Canada embraces a number of specific subjects. If this amendment were to be accepted, surely amendments relating specifically to weights and measures, packaging and labelling, advertising and all the other particular aspects of the consumer's interest would be just as acceptable.

I submit to Your Honour that a specific reference to drugs as one aspect only of the general policy of the government does not relate to the enabling power in the bill itself. In this connection I draw Your Honour's attention to citation 203 (1) of Beauchesne, which in the fourth edition is to be found at page 171:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed—
>
> The law on the relevancy of amendments is that if they are on the same subject-matter with the original motion, they are admissible, but not when foreign thereto.

• (9:00 p.m.)

I also direct Your Honour's attention to page 549 of May's Parliamentary Practice, seventeenth edition, where the question of admissibility of amendments is dealt with. Under the heading, "inadmissible amendments", in paragraph (1) are found the following words:

> An amendment is out of order if it is irrelevant to the subject matter ... or beyond the scope of the bill ... or if it is irrelevant to the subject matter ... or beyond the scope of the clause under consideration ... Amendments which are irrelevant to the clause under consideration should, as a general rule, if they are within the scope of the bill be moved as new clauses.

On page 551, paragraph 13, are found the following words:

> Amendments or new clauses creating public charges cannot be proposed, if no money resolution or ways and means resolution has been passed, or if the amendment or clause is not covered by the terms of the resolution.

That refers back to the second ground of my objection.

In summary I submit that, serious though the problem raised by the hon. member might be, and anxious as I am to join issue on the merits of his argument while making

no comment on the substance of what he said this evening, I ought to point out that he will have another opportunity during the session to present his argument, when a matter that is more relevant to his argument is being considered.

Mr. Orlikow: I was interested in the minister's comments. At one point he told us that the purpose—

The Chairman: Order, please. I wonder if the hon. member for Winnipeg North is about to assist the Chair to arrive at a decision as to whether this amendment is acceptable.

Mr. Orlikow: Mr. Chairman, I wanted to make a few comments on points the minister raised. Though we have heard arguments in this house on questions of irrelevancy of amendments, nothing it seems to me is more relevant than the $200 million the consumers of Canada are forced to overpay with respect to drug prescriptions in one year.

That is an important amount of money and we ought to address ourselves to consideration of how it is spent. The minister suggested that the amendment is out of order since the purpose of the bill is to permit the minister to appoint advisory committees to help him. I was under the impression that the bill was being enacted to help our consumers. I can think of nothing which would help our consumers more directly than allowing them to buy prescription drugs at a fair price.

The Chairman: Order, please. I think the hon. member for Winnipeg North is discussing the amendment. The Chair wishes to hear arguments for and against the admissibility of the amendment before a ruling is made.

Mr. Orlikow: Mr. Chairman, my point might be made more clearly if I were to recite to Your Honour the provisions of clause 6(1)(a) which reads as follows:

(1) In exercising his powers and carrying out his duties and functions in relation to consumers' affairs under this Act, the minister shall

(a) initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer;

It is obvious from this, that any measure which enables the Canadian consumer to save money is admissible. The amendment of the hon. member for Waterloo South would materially help our consumers to save money and would contribute to their welfare. The words I have read give the minister power to do precisely what our amendment proposes. We can demonstrate beyond a shadow of doubt that our amendment is truly worth while, and I think Your Honour ought to rule that the amendment is admissible.

I wish to raise another point. Throughout this debate the minister has said, "I will not argue about what you are proposing, but this is the wrong time"—or the wrong place, or the wrong bill—"and you should not make your proposition now." The minister suggested that some of our suggestions might be put forward appropriately on the trade marks and patents legislation. I tell him that I have grave doubts about whether we shall ever reach that legislation, at the rate at which we are moving. Even so, I submit that our proposal to establish a crown corporation to manufacture and distribute prescription drugs, which is the substance of the amendment, will have as little to do with the patent and trade marks legislation, when that is brought down, as the minister's arguments have to do with this amendment at this time. I suggest that our amendment is proper and that the committee ought to support it.

Mr. Saltsman: I wish to deal with some of the points raised by the minister with respect to the admissibility of the amendment and, particularly, I wish to deal with the question of relevancy. The amendment is of the highest relevancy, since no other measure that I am aware of would as effectively help the drug consumers of the country as would our amendment, if it were adopted in the legislation.

The minister also raised the question that our amendment involved expenditure of money. We are not talking about any additional expenditure of money. We presume that the crown corporation referred to in the amendment would be self supporting; it would not be bonused, if I may use that term. It could carry itself and compete effectively against the drug companies, as well as bring some return on its investment.

Our proposal is eminently practical since the drug industry of this country needs effective competition. Only the government, with its resources, can create a crown corporation which would not involve the expenditure of extra money and which would provide the drug companies of this country with effective competition.

The Chairman: Order, please. The hon. member for Waterloo South is debating the amendment. The Chair wishes the committee

to present arguments on whether the amendment is admissible. Debating the amendment itself is quite another matter.

Mr. Saltsman: Respectfully, Mr. Chairman, in dealing with the admissibility of the amendment I was trying to answer the point the minister raised. He said that accepting the amendment would entail the expenditure of money and we say that this amendment, if it were accepted, would not involve the government in additional expenditures, within the normal meaning of that term.

The minister also said that the amendment went beyond the scope of the resolution. He said that the resolution provided for bodies to assist the minister. Nothing else would assist the minister more in carrying out his duties than establishing a crown corporation like the one proposed in the amendment. That is completely within the terms of reference of the resolution.

Answering the minister's third point, that anything enacted under this legislation must be shown to be of interest to consumers, I say again, as I said when answering the second point, that the amendment would be of enormous interest to consumers and to those in Canada who suffer because of the distorted price structure which the drug industry of this country has created with respect to drugs. I submit that nothing could interest consumers more than the amendment we are seeking to move tonight.

• (9:10 p.m.)

Mr. Nasserden: The hon. member who has just resumed his seat referred to the creation of yet another crown corporation and the results which might flow from it. It would be irrelevant to go into that issue as the present time. But the whole tenor of this bill has been to provide a policing structure and an information bureau—indeed, I referred to it earlier in the debate as being a glorified information bureau to provide consumers with information about products they might be using. I do not think it is within the purview of this bill to set up a crown corporation.

Consider the experience in Saskatchewan over a period of 20 years, during which crown corporations were set up by the C.C.F. government under the leadership of the present leader of the New Democratic party. The developments which took place in that province were far from happy.

The Chairman: The Chair is interested in hearing arguments for or against the admissibility of the amendment, not for or against the amendment itself.

Mr. Nasserden: I was about to indicate that the creation of a crown corporation, as this amendment suggests, would divert all the attention of the minister and his department away from the task parliament is seeking to give them. For this reason alone I believe the amendment is completely irrelevant. Indeed it amounts to deliberate obstruction on the part of members of the N.D.P. when they introduce amendments of this type to a bill of the kind now before us, knowing full well that they are irrelevant.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am assuming that the argument the minister made with regard to relevance has fallen on deaf ears, because it is one which cannot be supported by logic or common sense. Nothing could be more relevant to a department of consumer affairs than the protection of a particularly badly exploited section of consumers by a particularly rapacious segment of industry. I will spend no more time on this question of relevance.

The other point the minister raised was that it went beyond the power of a private member to introduce such an amendment because it entailed government expenditures. I would draw the minister's attention to clause 6 (a) where it is stated that the minister shall—he has no option about this—initiate and recommend or undertake programs designed to promote the interests of the Canadian consumer.

The amendment produced by my hon. friend from Waterloo South specified one such program which the minister should undertake in carrying out the terms of this legislation. Surely the legislation allows the development of precisely such a corporation. After all, we have not as yet been presented with an estimate of the cost of setting up this new department. We have not been told that certain limits of expenditure have been placed upon the minister in the performance on his duties. Paragraph (a) clearly indicates that the minister has very wide authority to undertake any kind of program, whether it be the establishment of crown corporations or any other action, if he believes he is acting in the interests of the Canadian consumer. The bill itself sets out the minister's

duties and, as I say, one of these is to establish programs in the interests of the consumer. Our amendment specifies the sort of program he should be considering.

The Chairman: If members have no further comment on the admissibility of the amendment, the Chair could possibly proceed. May I first of all point out that under the terms of the resolution the governor in council may establish a consumer advisory council "and other bodies to assist the minister". The interpretation which the Chair would place on those words would be "bodies coming within the purview or within the control of the department." The setting up of an independent body such as a crown corporation would I believe, not come within the meaning of "a body to assist the minister" as referred to in the resolution.

Second, it is the opinion of the Chair that setting up a crown corporation would be a matter for major parliamentary decision and something which would be more properly done by a substantive motion rather than by an amendment to a clause of a bill.

Again, the setting up of such a corporation would be well outside the scope of the resolution. May I read to the committee part of citation 246 (3) beginning at the sixth line?

> In relation to the standard thereby fixed, an amendment infringes the financial initiative of the crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the crown has demanded or recommended a charge.

In the resolution which was agreed to on October 13 there was surely no authority given to this department to manufacture, sell or distribute drugs. This, in the opinion of the Chair, is well outside the confines of the resolution.

For these reasons, therefore, I declare the amendment out of order.

Mrs. MacInnis (Vancouver-Kingsway): I have another amendment to put forward. I will first of all explain the reasons for moving it.

Mr. Mackasey: Why don't you people form a government some time and bring in your own proposals?

Mrs. MacInnis (Vancouver-Kingsway): Some hon. members over there are in a terrific hurry to pass this bill. I can tell them that for a great many people in this country this is one of the most important measures to come before the present parliament. We intend to draw attention to proposals which could make it a far better piece of legislation if they were adopted. If they are not adopted we shall point out that the public is not being granted the protection to which it is entitled. The bill in its present form is deceiving the people of this country, and unless it is improved we shall be the first to point out its shortcomings.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

• (9:20 p.m.)

In its interim report on consumer affairs, the economic council in July, 1967, reported upon the responsibilities of the Registrar General and recommended the establishment of an interdepartmental committee on consumer affairs under the chairmanship of the deputy registrar general. It stated that this committee should include the deputy ministers of trade and commerce, national health and welfare, industry, agriculture, fisheries, insurance, finance and justice and of such other departments as have a continuing interest in consumer affairs. It stated that in such matters as food, pesticides, consumer credit, consumer goods standards and trade practices, where responsibilities are widely distributed, such co-ordination was imperative for efficient administration.

We would be the last to decry the idea of close co-ordination, but again I would point out that in this respect there is a great lack in the bill. I have been approached by a good many people, members of the Consumers Association of Canada, members of the price protesters association, and by people inside government departments who have told me of the difficulties that exist in regard to this legislation. They have told me that there is a need for it to be amended to make sure that such co-ordination will be possible.

The quickest way in which I can illustrate the need for an amendment such as I am going to move is by quoting from a brief submitted by the Consumers Association of Canada to the Economic Council of Canada in July last. In the appendix to the brief there is a good illustration of the problems arising out of divided jurisdiction in the federal government in matters affecting consumer interests. At the present time there are several departments concerned with consumer interests; thus an amendment such as I am about to propose is necessary. I quote from the appendix to the brief as follows:

> In late 1963 and early 1964, C.A.C. received complaints from a number of consumers across the country that milk and fruit juices sold in wax cartons in retail stores did not contain the amount of liquid contents stated on the carton. Before acting on these complaints, C.A.C. undertook a pilot-measuring project in Toronto. Two samples

of 21 brands of various kinds of milk and fruit juices in wax cartons were purchased at random across the city. Using standard measures from the Department of Trade and Commerce, and watched by an official of the Weights and Measures division of that department, C.A.C. members measured the contents of these cartons. Thirteen of the 21 brands contained less than the amount of contents stated on the package, several brands being four fluid ounces short. Two weeks later the operation was repeated and the same results secured.

Inspection of these cartons was the responsibility of both the Food and Drug Directorate, the Department of Trade and Commerce, and in the case of fluid milk, the provincial department of agriculture. As a result of dual and triple control and lack of co-ordination, inspection failed to give consumers the protection they should have been receiving to ensure full value for their dollars.

After checking a complaint that cans of tomato juice labelled 20 fluid ounces did not contain that amount, C.A.C. decided that this matter needed a more thorough investigation. In 1964, some 237 cans of juices in seven different sizes, but chiefly in the most popular size, 20 fluid ounces, were purchased across Canada and shipped to a qualified testing laboratory for careful measurement of the contents.

I quote this to show that the Consumers Association of Canada has been doing very careful work on behalf of consumers in checking complaints and trying to have them remedied under existing legislation, and I believe the members of the association have every right to demand through some of us here that we make this legislation foolproof.

The laboratory reported that none of the cans labelled 105 fluid ounces contained 105 fluid ounces: only one in nine of those labelled 20 fluid ounces contained 20 fluid ounces. Only in the sizes labelled 48 fluid ounces and 10 fluid ounces did all samples contain the amount stated on the label. It was obvious that in most sizes it was very difficult and in some sizes impossible for processors to fill the cans with the amount stated on the label. These cans are of international standard sizes and the amount stated on the label is regulated under the Canada Agricultural Products Standard Act.

On the basis of the test, C.A.C. requested the Department of Agriculture to review its labelling requirements under this act to ensure that the labels of canned juices correctly state the amount of the contents of the can. The results of the test and this request were reported in the press.

Now I come to the moral of the story.

The matter was also referred to the food and drug directorate, which has the responsibility under the Food and Drugs Act that food shall not be labelled or sold in a manner which is false or misleading. The director immediately informed C.A.C. that the directorate was fully aware of the incorrect labelling and for ten years had been trying to get the Department of Agriculture to amend its regulations to require accurate labelling not only of canned juices but of canned juices, fruits and vegetables.

For ten years the food and drug directorate had been trying to get co-operation from the Department of Agriculture, and unless something is done to make this procedure more effective than has been the case in the past, Canadian consumers will be left very much under-protected. I continue with the quotation:

The Department of Agriculture has since taken action. Amended regulations of this department became fully effective on January 1st, 1966. Until C.A.C. discovered this deception and pressed for rectification of the labelling, the food and drug directorate was unable, on account of the inactivity of the Department of Agriculture, to carry out its responsibilities under the Food and Drugs Act.

I know that this bill provides for co-ordination of these different activities under the minister, but I maintain there is still something important lacking, and that is why I move:

That subclause (1) of clause 6 of Bill C-161 be amended by adding thereto the following new paragraph:

"(e) be empowered to secure information from any other department of the government to assist in the investigation of consumer complaints."

In other words, Mr. Chairman, we want to give the minister power to go into the Department of Agriculture, the food and drug directorate or whatever other department may be involved, to get information directly related to consumer complaints. If the bill remains in its present form there is nothing to prevent a situation happening again such as I outlined a few moments ago, where a consumer complaint was left unsolved for ten years while one department waited for another department to act.

This amendment does not propose the spending of public money. It does not interfere with provincial jurisdiction. It does not get the minister in wrong with industry. I really hope he approves of it. I may say that this is not my own idea. It comes from members of the Consumers Association of Canada, who are to be found all across the country. I feel this amendment would strengthen this clause in the bill.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

• (9:30 p.m.)

Amendment (Mrs. MacInnis—Vancouver-Kingsway) negatived: Yeas 24; nays, 43.

Mr. Fawcett: Mr. Chairman, during all this debate I have not taken any of the time of

the house. However, I do not feel I should let this clause pass without making a few remarks. As my colleague the hon. member for Vancouver-Kingsway pointed out, this, at least to the general public, is one of the most important pieces of legislation that has been brought before this house in a long time. When I look at clause 6 I cannot help feeling that it deals in very vague generalities. I should like to quote subclause (1)(a):

> initiate, recommend or undertake programs designed to promote the interests of the Canadian consumer;

What type of programs are to be undertaken? Will they be educational programs or programs designed to enlighten the general public with regard to the quality of goods? I notice that further down in clause 6 it states that the minister does have the authority to undertake research and publish or cause to be published anything in connection with what this research divulges. However, there does not seem to be anything very specific here. This is my complaint in respect of the whole bill, although necessarily I must deal with clause 6. I should like to be a little parochial and ask whether under the authority of this clause someone will look into the situation in northern Ontario to determine why we pay seven cents more for a gallon of gasoline than is paid 100 miles to the south, when the cost of transportation on gasoline is approximately a quarter of a cent a gallon? Is this one of the things on which the minister is going to have some research done? Will these paragraphs be used to expose the methods used in high pressure advertising?

We know, in respect of the various brands of soaps, that if the sale of a particular brand would seem to be falling off the company comes up with another brand which has a special additive. Neither you, Mr. Chairman, nor I nor the people across the country know what this additive is. We do not know whether it contributes anything to the product. This is another place where I believe there should be a good deal of research in order to determine whether these additives contribute anything to the product, or whether they are just another method of "hard sell". Will the ingredients contained in various products be analysed so that a comparison may be made between the quality of the highly advertised products which sell in the stores primarily under a brand name, plus of course the "hard sell" advertising, and the quality of the lesser advertised products? Here as an example I might use a product which is packaged for the various chain stores, and which sells under a name used by the chain store, although this product in many cases is manufactured by the same company which manufactures the products which are sold under brand names. These brand name products in many cases sell for considerably more than the product which is sold under the chain store's brand name.

In this connection I should like to mention something which came to my attention a number of years ago. It do not know whether or not this particular consumers research bureau is still in existence, but at one time in the United States various labour organizations participated in providing the funds for a consumers research bureau. It did very extensive work. The ingredients which went into various products were analysed. Tests were made to find out whether one product was actually better than another. I recall very vividly some comments made in respect of some research carried out on soap, as an example. One particular type of soap that was not advertised on the market at all was packaged in a plain brown paper bag, and sold over the counters not only in chain stores but in the small retail stores. When the ingredients of that product were analysed it was found that it contained practically the same ingredients as the highly advertised brands. In addition it was found that there were other substances in this particular brand of soap which made it a better product than the highly advertised product.

The Deputy Chairman: Order. I wonder whether the arguments being put forward by the hon. member about soap are relevant to clause 6.

Mr. Fawcett: With all due respect, Mr. Chairman, I am merely pointing out that this clause deals in generalities and does not specifically point out what kind of research programs will be carried out, how the people will be educated, and so on. Perhaps I might read the second part of this clause:

> For the purpose of carrying out his duties and functions under this act, the minister may undertake research into matters to which the powers, duties and functions of the minister extend, cooperate with any or all provinces or with any department or agency of the government of Canada or any organization or person undertaking such research and publish or cause to be published, or assist in the publication of, so much of the results of any such research as the minister deems appropriate and in the public interest.

Here, so far as my argument is concerned, is one of the most important parts of clause 6, because if we are to have something which

is merely a brief article appearing in a newspaper, or a leaflet which is sent to a householder in the mail, I do not think very much will be accomplished. I suggest to the minister that when he comes up with the result of the research into some of the various commodities, the information should be advertised across the country on a popular public affairs program, which the people watch, so that they can be made very much aware of what has been developed by the research carried on by this consumer affairs branch.

As I said, I shall be very brief. I do not intend to say very much more. This clause in particular deals in generalities rather than in specifics. In all probability the minister and his officials when drafting the bill had certain specific things in mind. I only wish that he had been more specific in outlining just what types of research will be carried out and how he hopes to inform the public of the results of the research which is carried out.

• (9:40 p.m.)

The Assistant Deputy Chairman: Shall clause 6 carry?

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall clause 7 carry?

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I have something to say on clause 6. I should like to put on the record some suggestions which I think should be made in relation to clause 6 (c) of this bill. Under clause 6 (c) the minister will be given the power to promote and encourage the institution of practices or conduct tending to the better protection of the Canadian consumer, and so on. He will be able to co-operate with provincial governments or agencies as well as, I presume, various federal agencies. In this respect I believe some specific suggestions should be made. I suggest that the new ministry, in full co-operation with C.M.H.C., take immediate steps to assure greater consumer protection in the field of housing.

I hope the new ministry, acting in its capacity as watchdog over the interests of the consumer will, either by direct pressure on C.M.H.C. or by recourse to the publicity and information supplying resources which will undoubtedly be at its disposal under clause 6(1) (c) and (d) of the new bill, be able to persuade the public, and through the public C.M.H.C.—if this is necessary—that new measures and conditions must become an integral part of future housing developments if the house buying consumer is to have full value for his investment dollar and adequate long term protection for his investment.

Central Mortgage and Housing Corporation has not over the years taken enough social initiative. It has fulfilled its legal responsibilities but has not gone out of its way to impose upon the communities benefiting from its lending funds the aesthetic standards which we should regard as minimal in any housing development. It would be a simple matter for C.M.H.C. to insist that it would not allow its funds to be lent to any development unless provision was made for putting all telephone and electricity lines underground.

Central Mortgage and Housing Corporation should also insist that adequate recreational facilities, more especially parkland and playground areas, be included in any development receiving its funds. If C.M.H.C. does not soon include these requirements as a condition for extension of its loans, I suggest to the new ministry that it should intervene on behalf of our home buying public.

[*Translation*]

I should like to add that the Central Mortgage and Housing Corporation is remiss in its duty of lending money to municipalities to install sewage treatment systems and water purification plants without giving them, at the same time, advice on the most efficient and less costly methods. In my constituency, the town of Sainte-Philomène received a loan from the corporation of over $500,000, 25 per cent of which represented a federal government subsidy. Unfortunately for this town, the system installed on the recommendation of private engineers whose fees were a percentage of the total cost of the project, was needlessly complicated. In using the "open pit" method, the municipal authorities of Sainte-Philomène could have achieved the same results at half the cost.

The corporation is mistaken if they consider that their responsibilities end when funds are loaned. It is an inexcusable waste of public moneys to lend funds to install a system twice as expensive as others just as efficient and with a lower cost of operation. When the municipal authorities of a town or a city try to borrow money to install a sewage treatment system or a purification plant, the corporation should provide advice and the services of their own experts.

[*English*]

I wish to make one further suggestion to C.M.H.C. which I trust the new ministry will keep in mind. For far too long the Canadian house buyer, although protected from structural and basic construction defects by C.M.H.C. standards and provincial laws, has not been adequately protected against finishing defects. Only a minority of house builders are guilty of producing poorly finished houses, but the unfortunate house buyer who discovers that he has acquired a shoddily finished house must engage expensive legal services, if he is to be able to force the builder to fulfil his contractual responsibilities.

In most cases the buyer is too far in debt, because of buying and furnishing his new home, to afford legal services. The builders know this and take advantage of the buyer's position. The builders who get away with deficient finishing are usually the same ones who have purchasers sign purchase offers which are phrased in a way which result in a buyer signing up for more than he bargained for.

Central Mortgage and Housing Corporation may have fulfilled its legal obligations under the National Housing Act, limiting its responsibility to maintaining basic construction standards; but it has, I submit, a much broader social responsiblity for consumer protection which it has not fulfilled, but could quite easily be put into effect. I would request that the minister of consumer affairs ask C.H.M.C., if this body does not act on its own, to consider without delay the following proposals: That a blacklist be established of all builders who have been the subject of verified, legitimate and well-founded complaints by home buyers to C.M.H.C.; the establishment of a blacklist of delinquent home builders or, alternatively, the creation of a register of the names of those home construction companies who have a complaint free record. This would have an immediate and highly beneficial effect on the house finishing practices of delinquent house building companies. Also an appeal procedure could easily be established which would satisfy the responsible house builders. If hon. members will bear with me, I suggest that the blacklist of complaint free builders be distributed to the public by C.M.H.C. or through the department of consumer affairs. It could be distributed by public libraries, consumer groups and a broad selection of associations and public bodies.

[Mr. Watson (Châteauguay-Huntingdon-Laprairie).]

The Assistant Deputy Chairman: Order, please.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I suggest that such a house buyer protection policy would produce immediate and dramatic improvements for average Canadian house purchasers, and I would urge the minister and C.M.H.C. to give these suggestions their immediate consideration.

The Assistant Deputy Chairman: While the hon. member did have the last word, may I tell him that I was at a loss to relate the remarks he was making to the clause under study.

Clause 6 agreed to

On clause 7—*Advisory and other bodies.*

Mr. Baldwin: Mr. Chairman, this clause reads as follows:

> The governor in council may establish a consumer advisory council and other bodies to advise or assist the minister or to perform such duties and functions as the governor in council may specify—

And so on. Originally I had intended to move a amendment to this clause. However the minister has been obdurate and inflexible and his juggernauts, the backbenchers on the government side, have spoken in opposition to amendments coming from this side of the house. I would urge the minister, Mr. Chairman, to accept the removal of the words "and other bodies" from this clause.

• (9:50 p.m.)

Mr. Churchill: Mr. Chairman, while the minister is thinking about that, may I support the suggestion which has been made. Clause 7 is almost a blank cheque to the minister because in it he does not set out the function of advisory boards, as was done so carefully in part II of the bill with regard to the manpower and immigration council, which was earlier before the house. He has simply written in what amounts to a wide open paragraph giving him complete power to set up an advisory council and other bodies. He does not specify how often they will be called together nor what will be their composition. This clause will give the minister too much authority, and now that he has had time to think over the suggestion made by the hon. member for Peace River perhaps he will modify it by striking out "and other bodies", or else explain to us what he intends to do under this clause.

Mr. Turner: Mr. Chairman, I accept that deletion.

Mr. Baldwin: Mr. Chairman, I move that the words "and other bodies" be deleted.

Amendment (Mr. Baldwin) agreed to.

Mr. Alkenbrack: Mr. Chairman, I think it would be of interest to the committee, because it is of interest to me, if the minister would tell us how many members there will be on the consumer advisory council.

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, instead of making the remarks that I wanted to make I will make a fair exchange with the minister. Will he rise for a few moments and tell us about the advisory council, how many people he proposes to put on it, what its representation will be, where the members will be from, geographically, and who will nominate them. I would be more than satisfied if he would give us this information.

Mr. Turner: Mr. Chairman, if the hon. member for Vancouver-Kingsway would review my speech on second reading, she would find the answer to her question. Let me say briefly that we contemplate the appointment of about 15 members chosen for their personal qualities and representing the various economic interests of the country, that is the consumers, the retailers, the manufacturers, the advertising industry, labour, universities and so on. Of course the geographic and the other balanced interests of the country will be represented on the council. However, may I say to the hon. member that I dealt with that matter on second reading.

Mrs. MacInnis (Vancouver-Kingsway): I should like to ask the minister a question. If this is to be an advisory council on consumer affairs, how will the minister make sure that the consumers will be represented, as opposed to the manufacturers and other such groups, because I would draw to his attention that the economic council, which reports to him, has only one representative of the consumers. How will the minister avoid this situation with regard to the consumer advisory council?

Mr. Turner: I think that the consumer interests will be adequately represented by the consumer associations, the labour unions and the universities.

Clause as amended agreed to.

Clause 8 agreed to.

On clause 9—*Annual report.*

Mr. Gray: Mr. Chairman, to make the bill consistent throughout I should like to move:

That Bill C-161, to establish a department of corporate and consumer affairs, be amended by substituting for the words "corporate and consumer affairs" in clause 9 thereof the words "consumer and corporate affairs".

Amendment agreed to.

Clause as amended agreed to.

On Clause 10—*Acts to be administered by Minister.*

[*Translation*]

Mr. Gray: Mr. Chairman, I wish to move:

That Bill No. C-161, entitled "An Act to establish a Department of Corporate and Consumer Affairs" be amended by substituting for the words "corporate and consumer affairs" wherever they appear in clause 10 thereof, the words "consumer and corporate affairs".

[*English*]

Amendment agreed to.

Clause as amended agreed to.

Clause 11 agreed to.

On Clause 12—*Prior Appropriation Acts.*

Mr. Gray: Mr. Chairman, I am sure the consumers of this country would be happy to see the house pass this bill as quickly as possible, but I think we should make the necessary changes in form. Therefore I would like to move:

That Bill C-161, to establish a department of corporate and consumer affairs, be amended by substituting for the words "corporate and consumer affairs" in clause 12 (2) thereof the words "consumer and corporate affairs".

Amendment agreed to.

Clause as amended agreed to.

Clause 13 agreed to.

Schedule I agreed to.

On Schedule II.

Mr. Gray: Mr. Chairman, I believe that an amendment similar in form to the one I have moved on several occasions will have to be made to Schedule II, and perhaps the committee will take it that I have read the appropriate amendment to Schedule II.

The Assistant Deputy Chairman: Is the committee agreed on the amendment to Schedule II?

Proceedings on Adjournment Motion

Some hon. Members: Agreed.

Amendment agreed to.

Schedule II as amended agreed to.

On clause 1—*Short title.*

Mr. Gray: I presume that this clause will also be amended in a similar way.

The Assistant Deputy Chairman: Is the committee agreed on the amendment to clause 1?

Some hon. Members: Agreed.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Turner moved the third reading of the bill.

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

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, the business before the house tomorrow will be as follows: the post office resolution; the emergency gold mining bill; item no. 9 on the order paper regarding the interprovincial and international teleferries; item no. 24 on the order paper regarding the Government Employees Compensation Act; item no. 29 regarding the C.N.R. financing bill; item no. 39 regarding the Judges Act; item no. 40, the reference of the regulation of the Bank Act to the committee; and the amendment to the Criminal Code respecting capital punishment.

• (10:00 p.m.)

Mr. Fulton: Will the minister say if these items are not concluded tomorrow the same order will prevail on Wednesday?

Mr. MacEachen: Not necessarily the same order in the following days, but the same batch.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[The Assistant Deputy Chairman.]

CONSUMER AFFAIRS—CONSIDERATION OF MOTION FOR INQUIRY INTO CAR INSURANCE

Mr. Barry Mather (New Westminster): Mr. Speaker, it may seem at first, that my few remarks at this time are a continuation of the representations which we have been trying to make earlier this evening with regard to consumer affairs. However, this is not the case. Some days ago on orders of the day I asked a question relative to car insurance and to the need, in my opinion, for an investigation of that industry at the federal level. My question was not answered at that time, so I hope this evening I will be allowed a few minutes to underline what seems to me to be an important question, and try to get an answer to it.

We know, Mr. Speaker, that car insurance is mainly the responsibility of provincial administrations. However, in recent times the federal government or various departments of it have concerned themselves with traffic safety, and in my view car insurance forms a very important part of that subject. In so far as traffic safety is concerned it is known that a number of private members, including myself, had proposals on the order paper in the form of bills or resolutions dealing with various aspects of motor vehicle standards and car safety, which is basically another sphere of provincial interest. We were successful in having all these bills and resolutions referred to the committee on justice and legal affairs. This committee concerned itself with traffic safety, our bills and resolutions, and brought in a report which in large measure was subsequently adopted by the government. The Department of Transport is now implementing some of the recommendations in that report.

It is my opinion that car insurance is an integral part of the over-all national or federal picture with regard to traffic safety. I say that because we have 150,000 traffic casualties a year, including 5,000 fatalities, which amounts to 100 per week. We spend approximately $1 billion a year, or at least that is the economic toll of highway traffic injuries. Of this $1 billion, car insurance represents something like $600 million. This is the amount which Canadians spend trying to defend themselves against the casualties of the road. In my view, Mr. Speaker, anything that affects so many Canadians, whether motorists or pedestrians, in every area of Canada is a matter which could well merit investigation. This is particularly true when we consider that of the approximately $600

million a year that Canadians spend on car insurance by way of premiums, according the latest figures I have they recover only about 67 cents on the dollar.

I think one of the very first matters which the newly created department of consumer and corporate affairs should take up is service to Canadian motorists in the car insurance field. A national publication, the Toronto *Star Weekly*, earlier this month ran a feature article on car insurance in Canada, and it introduced the subject by saying that everybody who owns or drives a car knows something of the statistical witchhunts, dubious moralizing, high handedness and general hugger-mugger that affect what he pays to insure himself.

In my view, Mr. Speaker, this is a subject that commends itself for attention at the federal level, just as much as those other aspects of travel safety the federal government has already entered into. I appreciate having these few moments to bring the matter up again tonight and I ask the question once more: Would the newly formed department of consumer and corporate affairs undertake to consider giving further attention to this problem?

Hon. John N. Turner (Registrar General): Mr. Speaker, it pleases me a good deal that the hon. member for New Westminster has put the first question to me about consumer affairs, the house having just accorded third reading to the bill to set up this department.

The combines branch has looked into the matter of automobile insurance under the terms of a general inquiry under section 42 of the Combines Investigation Act, on which the Restrictive Trade Practices Commission reported as long ago as May 16, 1960.

At that time, Mr. Speaker, the commission expressed the opinion that some of the rules, methods and activities of the board's organizations—that is to say, the Canadian Underwriters Association and some of its affiliated territorial associations across the country—and insurance companies, had features which in some circumstances might bring them within the kind of actions, defined by the act, and there was a possibility that they might be held to infringe upon the law.

It was suggested to the C.U.A. at the time, and to other associations, that they should review the situation particularly with regard to the character of premium and commission rates. After a reasonable time had elapsed, in which the C.U.A. and its member associations examined the report of the commission, the Director of Investigation and Research made extensive preliminary inquiries to determine whether the situation warranted formal inquiry under section 8 of the Combines Investigation Act.

In his annual report for the year ending March 31, 1963 the director stated that after assessing all relevant facts he did not consider that the existing agreements among members of the C.U.A. with respect to premium rates would at that time be likely to have the effect of preventing or lessening competition unduly, contrary to section 32 (1) of the act, and therefore that formal inquiry was not warranted. The director has continued since that time to keep informed on the operations of the industry as they pertain to automobile insurance. The director's inquiry pertaining to automobile insurance is referred to in the annual report of the Director of Investigation and Research, under the Combines Investigation Act, for the year ended March 31, 1967, pages 19 and 20.

I realize that the question of the hon. member for New Westminster relates to a wider term of reference than that pursued by the Director of Investigation, and Research, and in view of the program we propose for the newly constituted department of consumer and corporate affairs, I assure him I will give his suggestion consideration as the new department's program develops. It might well be a proper term of reference for the committee of the House of Commons on consumer affairs.

• (10:10 p.m.)

[*Translation*]

TELEVISION—QUEBEC—INQUIRY AS TO PROTESTS RESPECTING PROGRAM

Mr. Gérard Laprise (Chapleau): Mr. Speaker, on November 9 last, I asked the Secretary of State (Miss LaMarsh) to tell the house whether she had been informed of a petition protesting against a TV program shown on station CKRN-TV of Rouyn on October 30 last, and qualified as a torrent of filth by many and, if so, whether she could assure us that the matter would be taken into serious consideration.

Following that program, there was a general protest by all televiewers served by Radio-Nord against that program in which the main characters, who claimed to be journalists, used coarse language concerning a certain public figure. That program was badly received by the entire population.

So, Mr. Speaker, I wanted to ask whether the Secretary of State had heard any comments about this program and whether protests had been made by residents of north-western Quebec. Here I would like, to support my remarks, to quote fron an editorial which appeared in the November 1 issue of *L'Echo*, and which was reprinted in the November 8 issue of *La Frontière*. I shall read the first part of this article, which is self-explanatory:

The air in our households was polluted by a program originating from Radio-Nord; the term "polluted" is none too strong to express our resentment, our disappointment and our bitterness at viewing the program "Blanc sur Noir", which had been extenisvely publicized for weeks.

Mr. Antonio Flamand, whether one agrees or disagrees with the policies of the member for Rouyn-Noranda, whether one approves or disapproves his conduct as a public official, one is not entitled to be examining magistrate, public prosecutor and judge at the same time, and especially to hurl insults in the face of a man and a population by trying to pass for a journalist.

Last week, we deplored the removal of the program "Le sel de la semaine", due to several complaints, in favour of a local program; no doubt it was intended to punish us for a long time by showing of a spectacle that does not even belong in vaudeville, the main attraction being *sub judice*, which means in journalistic terms and for everybody else too, that we are not allowed to discuss it.

Here, I would like to say that following this editorial, the director or president of Radio-Nord made a correction, saying that this program "Blanc sur Noir" was not replacing "Le sel de la semaine" but rather another program from the Canadian Broadcasting Corporation entitled "Dossiers."

Then, after all that, came an avalanche of protests. The last and most important protest—the Secretary of State or at least the B.B.G. probably heard of it—came from the city of Amos and was set forth in a resolution passed at one of the recent meetings of the council of this town. I quote the whereases of this resolution to put them on the official record and to bring them to the attention of the minister's secretary:

"Whereas Radio-Nord Inc. has, on October 30, 1967, at 10 o'clock p.m., despite many protests from the public, replaced the excellent porgram "Le Sel de la Semaine" originating from the C.B.C. with its program "Blanc sur Noir" deceiving once again the people served by Radio-Nord Inc.;

"Whereas "Blanc sur Noir", on October 30 last, was purely and simply an insult to the population, in view of the behaviour of two so-called journalists, Dexter and Bouchard, who, during the whole program, used every effort and in the most vulgar way to tarnish the reputation of their guest, the member for Rouyn-Noranda, Mr. Antonio Flamand;

[Mr. Laprise.]

"Whereas the management of Radio-Nord Inc. could have cancelled that program, which was taped;

"Whereas, by this shocking and offensive program, Radio-Nord Inc. showed once again that it cannot serve efficiently the people of the Quebec northwestern area who, paying taxes to the federal government, are, as much as others, entitled to a complete broadcasting service by the C.B.C.;

"Whereas the city of Amos wishes to join with the cities of Chibougamau, Chapais and Matagami to ask also for full radio and television coverage by the C.B.C.;

Wherefore, it is moved by alderman Jean-Hughes Boutin, seconded by alderman Jacques Bourgeois and resolved unanimously that the Board of Broadcast Governors be requested to investigate the actions of Radio-Nord Inc. with regard to the program "Blanc sur Noir" of October 20, 1967, and that the board of governors be also requested to see to it that full radio and television coverage is given by the C.B.C. to all the people of northwestern Quebec.

Mr. Speaker, I hope that the Secretary of State will study that resolution and follow it up.

I should like to add that for a number of years, particularly on the week-end, we have been pestered with stupid gogo programs which only interest children; in fact, not all children listen to these programs, which are intended for them.

Therefore, in my opinion, the C.B.C. should service that area, at least for the time being, with FM radio programs, which would not irritate the people with abstract music, but help them to acquire greater culture by giving them worthwhile programs of truly great and beautiful music.

I support wholeheartedly the request of the authorities of the town of Amos that the C.B.C. service the region of Amos as it does other regions throughout Canada, since we pay taxes just as they so.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, after having read in the newspapers of north-western Québec *L'Écho* and *La Frontière* what has been written on that famous program of October 30 called "Blanc sur Noir" on the CKRN-TV station, after having heard several comments and especially the statement of the hon. member for Chapleau (Mr. Laprise) I understand quite well his indignation and that of most people of northwestern Quebec as a result of that televised program.

However, I must say to the hon. member for Chapleau that the Secretary of State has in no way been asked either by a request or by a resolution emanating from any public organization to intervene in that particular case.

All I can tell the hon. member—and he is well aware of it—is that the Secretary of State is not responsible for the programming neither of the private radio and television stations nor of the C.B.C. I can, however, give the assurance that the minister will call the attention of the Board of Broadcast Governors to any request of this kind that might be made in the future.

• (10:20 p.m.)

CANADIAN CENTENNIAL—CARDINAL LEGER—REQUEST FOR ASSISTANCE TO LEPERS IN AFRICA

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, when his Eminence Paul Emile Cardinal Léger recently made known his decision to leave the direction of the archdiocese of Montreal, it was such a momentous announcement that a deep impression of a great tragedy was created.

The unexpected departure of the distinguished prelate spread sorrow among all those who followed the rich tapestry of his good works and the magnificence of his sublime apostolate. Cardinal Léger, in giving up his present function, chooses a path which surely will lead him to a more fertile and lofty action on the moral plane.

However, a chasm is opened by the depth of such a loss.

The new horizons towards which the cardinal is headed show that he is prompted by a spirituality unattainable by ordinary people. However, his departure deprives both French and English Canada of an irreplaceable support.

The deep wisdom of that prominent churchman, the powerful example of his personality and his life are a source of inspiration that will not be easily replaced.

Our country is going through difficult times, Mr. Speaker. One only has to watch closely the events taking place here and there, the developments occurring every day to realize that the present situation in Canada is extremely serious, perhaps dangerous—one cannot say—but without being a prophet of doom, it can easily be foreseen. Who knows what leading part Cardinal Léger might have played, through his mere presence in this country, his sense of moderation, his objectivity, his deep influence in various quarters in this looming crisis which, one could say without being unduly pessimistic, could shake the very structures of Canada, to which we are still greatly attached.

The Cardinal will henceforth devote himself to a praise worthy work, and no one should complain; on the contrary, with spontaneity, with admiration, everyone expresses his joy and voices his encouragement in the new task the Cardinal is setting out to accomplish.

Still, I should not like to see his departure pass unnoticed by the Canadian government. Moreover, I feel that a man who has served his country so well, on both the spiritual and temporal planes certainly deserves from his country an outstanding token of gratitude.

I would suggest that before he leaves, he receive from the authorities of his country, the highest available decoration because he richly deserves it.

Mr. Speaker, I understand that it might offend the humility of a man who tries precisely to shield himself from all those sumptuous things, but I believe that we cannot remain indifferent to such a departure, that we cannot remain inattentive, as Canadians, to the tremendous task carried out by the Cardinal, and our country, his mother country, must honour him in an appropriate fashion. Therefore, I believe that the best way to honour him, the best decoration we can offer him, would be to establish a fund which could assist him in the task he wants to perform with the underprivileged and afflicted people.

In my opinion, no action or gesture would be more appropriate than that of a government willing to subsidize, directly or indirectly, the task which Cardinal Léger wants to undertake.

I shall conclude my remarks by saying that in the past, Mr. Speaker, our external aid has been considerable. We have particularly helped the Commonwealth countries at a time when the British Commonwealth needed it. Only this year will the French-speaking countries begin to receive substantial assistance from the Canadian government, $12 million as compared to the $14 million which will be given to the Commonwealth countries.

I think that if we want to help both French-speaking countries and at the same time the task undertaken by Cardinal Léger, we should give important financial assistance to the Cardinal.

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I have been requested by the Secretary of State for External Affairs (Mr. Martin), in the absence of his parliamentary secretary, to

answer the question put by the hon. member for Lotbinière (Mr. Choquette).

I should like here, Mr. Speaker, to stress the nobleness of the decision taken by His Eminence Cardinal Paul-Émile Léger. Needless to recall his apostolic zeal and ardour. Nevertheless, I should like to express the admiration which his dedication to the lepers rouses in our hearts of hearts. Such a worthy, noble and freely taken decision is a fitting ciimax to his unlimited devotion to the service of the faith.

With regard to the possibility of the government helping him in that project, I must tell the hon. member for Lotbinière and the house that this matter comes under the External Aid Office of the Department of External Affairs which examines any request for help in detail and according to the circumstances.

If His Eminence Cardinal Paul-Émile Léger ever asks for our co-operation after stating the exact nature of his needs, our External Aid Office will be very happy to give his proposals the greatest consideration.

Mr. Speaker, before resuming my seat, I should like to underline and applaud the action of the hon. member for Lotbinière; it is so characteristic of his awareness of what goes on and of his great Christian charity.

Motion agreed to and the house adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, November 28, 1967

The house met at 2.30 p.m.

[*Translation*]

PRIVILEGE

MR. LANGLOIS—REMARKS IN DEBATE ON NOVEMBER 24

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I rise on a question of privilege to make a correction in *Hansard* for Friday, November 24, at which time I took part in the debate on the situation in Montreal harbour, which matter was put before the house by the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) under standing order 26.

I was interrupted in my speech by the hon. member for Lapointe (Mr. Grégoire) who pointed out to me at that time that there were only three members from the island of Montreal present in the house. You will note, Mr. Speaker, that I did not mention those figures and that it was the hon. member for Lapointe who did so. I did not mention any figures at the time, Mr. Speaker, and I continued as you will find on page 4662 of *Hansard*:

> Mr. Speaker, I had indeed noticed it. I am not as blind as some hon. members opposite who do not see the importance of that problem, etc.—

Thereafter, the Minister of Labour (Mr. Nicholson), as recorded on pages 4673 and 4674 of *Hansard*, that is 14 pages further on following the dinner recess, said this about me:

> There is one point that I do not think should go unanswered. The hon. member for Mégantic (Mr. Langlois) said there were no members on the government side from Montreal present during the debate.

I never said such a thing.

> I should like to point out that throughout the whole debate my colleague the Minister of Industry (Mr. Drury) was here—

I admit that I also saw him.

> The Minister of Justice (Mr. Trudeau) was also here as well as my parliamentary secretary (Mr. Mackasey) who is from Verdun—

I referred to him during my comments and I agree that he was here.

> The hon. member for Beauharnois-Salaberry (Mr. Laniel).

He is not from the island of Montreal but from the outskirts of Montreal.

An hon. Member: He was here.

Mr. Langlois (Mégantic): Yes, he was here. And the Minister of Manpower and Immigration (Mr. Marchand) who is from Quebec, was even mentioned.

Mr. Speaker: Order. Would the hon. member indicate the nature of his question of privilege and tell the Chair whether it will be followed by a motion?

Mr. Langlois (Mégantic): Mr. Speaker, here is the nature of my question of privilege.

According to the statement or the conclusions of the minister, nine or ten members from Montreal have taken a keen interest in the debate. It seems to me, that instead of speaking through their hats, some members should be a little more reasonable and moderate in their statements about their colleagues in the House of Commons.

Mr. Speaker, I am not making preposterous and untimely statements. When the Minister of Labour credits me with having said those words, he is acting irresponsibly, and that is unthinkable on the part of a minister.

Mr. Speaker: Order. I doubt very much that the hon. member can claim that there are actual grounds for a question of privilege. If there really was such a question of privilege it should be followed by a motion, but the hon. member did not move any.

It is in order to point out also that a question of privilege must be raised at the first opportunity. That does not mean at the first opportunity which suits the hon. member but rather as soon as the breach of privilege takes place. The incident now in question dates back to last Friday. Therefore, it seems to me that the question was not raised at the first possible opportunity.

• (2:40 p.m.)

Indeed, even if the hon. member had raised his grievance at that time, I should hav emade the same ruling.

An hon. member claims there were a certain number of members in the house at a given time; the minister claims that there were more. According to the standing orders, both

statements must be accepted even if they are conflicting. However, the member for Mégantic cannot be allowed to pursue the matter by way of a question of privilege.

Mr. Langlois (Mégantic): I accept your ruling, Mr. Speaker, and I will consider that as a correction to the official report.

[*English*]

EXTERNAL AFFAIRS

COMMENT ON STATEMENT BY PRESIDENT DE GAULLE

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to make a short statement commenting on one made yesterday in Paris by General de Gaulle, a statement made as I was leaving London to return to Canada and which I did not see until I arrived back in Canada. Perhaps it is just as well that I did not have the opportunity of reading it before I spoke in London yesterday.

Before I make that statement, Mr. Speaker, perhaps you will permit me as Prime Minister to express my appreciation for the kindness I received from the British government during our visit to London last week and for the privilege, during a very difficult time for that government, of discussing with them some matters of commonwealth and international concern. We discussed in particular the situation in Cyprus, which has remained so dangerously explosive during recent days and which, if it were permitted to explode into armed conflict between two members of NATO and on the territory of a member of the commonwealth, could have an almost fatal effect on the North Atlantic Treaty Organization.

I said in my statement of July 25, 1967, Mr. Speaker, commenting on some earlier remarks of the president of the French republic, that Canada has always had a special relationship with France, which is the motherland of so many of her citizens. I said we attached the greatest importance to our friendship with the French people; that it had been and remained the strong purpose of the government of Canada to foster that friendship. I should like to confirm those words today, Mr. Speaker.

I do not propose to deal in any detail with General de Gaulle's statement of yesterday, a statement very carefully prepared and made to the press. General de Gaulle's statement will obviously arouse discord in Canada. I am sure the people of this country will be restrained in their response to it, as I am in mine today, so as not to serve the purposes of those who would disunite and divide our country.

Some hon. Members: Hear, hear.

Mr. Pearson: I believe the statement distorted some Canadian history, misrepresented certain contemporary developments and wrongly predicted the future. This statement was not merely a commentary on Canadian domestic or foreign policies, which could have been ignored; it was an intervention in those policies by the head of a foreign state. As such it remains unacceptable. Indeed, Mr. Speaker, in this case it is intolerable that a head of a foreign state or government should recommend a course of political or constitutional action which would destroy Canadian confederation and the unity of the Canadian state.

The future of Canada, Mr. Speaker, will be decided in Canada, by Canadians.

Some hon. Members: Hear, hear.

Mr. Pearson: I have confidence, and I know all members of this house have confidence, in the ability and good sense of all Canadians, French speaking or English speaking, to make the right decision. They will do it in their own way and through their own democratic process. I believe this decision will require further constitutional changes to bring our federalism up to date and to ensure, among other things, that French speaking Canadians who form one of our two founding cultural and linguistic groups, or societies if you like, will have their rights accepted and respected in Canada.

I agree also that the federal government, any federal government, should encourage and promote special and close cultural relations between French speaking Canadians and France and other French speaking countries. Indeed, Mr. Speaker, we are doing that. There should be no argument on this score except with those who wish to use these relations to destroy the federal government's responsibility for foreign affairs, and that we do not accept.

Canada is a free country and its people govern themselves. Canadians in Quebec and elsewhere in Canada have the right to exercise fully their political rights in federal and provincial elections. Self determination is no new discovery for us.

Some hon. Members: Hear, hear.

Mr. Pearson: We do not need to have it offered to us. To assert the contrary is an insult to those who discharge their democratic privileges as Canadian voters and to those who serve their country in this house or in provincial legislatures.

• (2:50 p.m.)

To those who would set us free, we answer "We are free". To those who would disunite us, we answer "We remain united, in a federal system which is being brought into line with the requirements of our time and of our origins and history". On April 19, 1960, the gallant and illustrious head of another state, speaking in Ottawa, had this to say; I quote from his speech:

> And now, how do you Canadians appear to us? Materially, a new country, of vast size, mighty resources, inhabited by a hard-working and enterprising people. Politically, a state which has found the means to unite two societies, very different in origin, language and religion; which exercises independence under the British crown and forms part of the commonwealth: which is forging a national character even though spread out over three thousand miles alongside a very powerful federation; a solid and stable state.

Mr. Speaker, I agree with those words of General de Gaulle in 1960. I disagree with his words in November 1967.

Some hon. Members: Hear, hear.

Hon. Robert L. Stanfield (Leader of the Opposition): First of all, Mr. Speaker, may I welcome the Prime Minister back to the house and back to Canada, and congratulate him upon the honour bestowed upon him by the city of London in extending to him the freedom of that city. May I also assure him that in welcoming him back in this manner I do not wish to be understood as casting any reflection upon the manner in which the Acting Prime Minister presided over the house in his absence.

Some hon. Members: Oh, oh.

Mr. Stanfield: Canadians will certainly resent the statement made by President de Gaulle and regard it as an intrusion into our domestic affairs. We in Canada, a free democratic country, are quite capable of running our own affairs, so we must certainly object to the statement, just as the Prime Minister has objected to it.

It may be there is no practical way of stopping this kind of interference. This is the second time it has occurred, and it may occur again. I say that while we must object to this kind of interference, our maturity as Canadians requires something further of us. While objecting to this unfortunate attempt at interference we are, I hope, mature enough not to allow such an attempt by somebody outside of Canada to affect the relationship among Canadians inside Canada.

Some hon. Members: Hear, hear.

Mr. Stanfield: It seems to me we would do ourselves a disservice if we allowed this incident to provoke us to any word or deed which could poison the climate in our own country or make it more difficult to arrange our own affairs satisfactorily. It would in effect make this attempt at interference effective if this statement by General de Gaulle were to give rise to immoderate exchanges within our own borders which could undermine the earnest efforts of Canadians themselves to work out their own arrangements to strengthen confederation.

At the present time in Toronto a constructive conference is being held at which provincial representatives and others are examining the problems within our own country. There are, of course, other constructive efforts going forward in our country. Mr. Speaker, I suggest in all earnestness that we should not allow this attempted outside interference to distract us in any way from our own purpose, which is to build a stronger Canada.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to associate myself with the words of the Leader of the Opposition in welcoming back the right hon. Prime Minister, and to say we are glad to see him in such good form upon his return to the House of Commons.

I am very glad the Prime Minister has made a statement with reference to the pronouncements by President de Gaulle. I think our response to those pronouncements ought to be restrained. I feel much the same about President de Gaulle's statements at this time as I felt about his famous "Vive le Québec libre" last fall; that is, that we ought not to allow this to provoke us into hysterical and provocative replies. We ought to make it perfectly clear to President de Gaulle, or to the head of state of any other country in the world, that we Canadians are quite capable of resolving our own problems without unsought or uncalled for advice from any quarter whatsoever.

Comment on Statement by General de Gaulle

I am sure that French speaking Canadians throughout Canada will resent the fact that the head of state in another country should seek to advise them as to what course they should take in advancing their best interests. As one who was born in the United Kingdom I know I would deeply resent any suggestion by the government of Great Britain as to how we Canadians ought to conduct our affairs in this country—

Some hon. Members: Hear, hear.

Mr. Douglas: —and I think French speaking Canadians will have a similar feeling of resentment. I think they will also resent the reference to them as abandoned children; abandoned, yes; but children, no. After two centuries of abandonment they are a mature people working with their fellow Canadians to resolve whatever differences of opinion we may have, and seeking to work out a great destiny for Canada, to do this by ourselves, knowing we can do it without any intrusion by anyone else.

I think French speaking Canadians will not be enticed by any nostalgic appeal for a new form of imperialism. In Canada this year we are celebrating our one hundredth anniversary, and our pride in that anniversary is in the fact that we have shed all forms of imperialism and are now a sovereign nation. I do not think French speaking Canadians, any more than any other Canadians, want to shed one form of imperialism only to assume the shackles of some other form of imperialism.

Some hon. Members: Hear, hear.

Mr. Douglas: It seems to me, Mr. Speaker, that this is a time for members in all parties to make two things perfectly clear. The first is that we believe in a strong, united and viable Canada; that we want people of all races and tongues to work together to make this a great sovereign power in which we can provide a good life for our own people, and through which we can play an increasingly important role in the community of nations.

I think the second thing we want to make clear is that we recognize that in Canada there are two linguistic and cultural communities, and that those of us who belong to the English speaking part of Canada are desirous of seeing the legitimate aspirations of the French speaking community fully realized.

To that end we have problems we must resolve; but we will resolve them in our own way and by our own methods.

[Mr. Douglas.]

• (3:00 p.m.)

I hope that we will try very quickly to resolve these problems. The longer we delay, the greater opportunity we provide for others to fish in troubled waters. This is the reason we in this party have been pressing for the setting up of a parliamentary committee to discuss the constitution. We are convinced there is a greater consensus among the members of this house than might at first appear to be the case. We believe that the quicker we grapple with this problem the sooner it will be resolved, and the sooner it is resolved the greater will be the opportunity to build a strong and united Canada.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, on behalf of the Ralliement Créditiste and my colleagues, I am happy to endorse the statement of the right hon. Prime Minister (Mr. Pearson), and I am doing so as a French Canadian from the province of Quebec.

Some hon. Members: Hear, hear.

Mr. Caouette: When the Prime Minister says: "Canadian policy will be determined by Canadians" and "French-speaking Canadians have the ability to find their own place in confederation without stepping on others", that is true, and will become even more so since the French fact is being recognized throughout Canada as never before in the past.

Everyone admits that we have lived through squabbles since 1867. But, Mr. Speaker, under the British North America Act, one thing has nevertheless been granted to all Canadian provinces and, particularly, to the province of Quebec, and I am referring, for instance, to rights in matters of education, where the federal government has never intruded and where the provincial government had all the necessary powers in matters of highways, health, agriculture and natural resources development. In fact, if the province of Quebec decided to develop one source of wealth rather than another, neither Alberta, Ontario nor British Columbia would be entitled to intrude in the problems of the province of Quebec.

Mr. Speaker, when General de Gaulle states that Quebec will obtain its sovereignty, I say that the province of Quebec has had more sovereignty within the Canadian confederation than any country connected with France has ever obtained since France exists.

Some hon. Members: Hear, hear.

Mr. Caouette: To look at history, Mr. Speaker, some time ago, I was speaking on television in my area of northwestern Quebec. At that time, I was giving the history of the second world war when General de Gaulle had to leave his country and go into exile for some time in Great Britain, when Marshal Pétain had to take over and move the seat of the French government from Paris to Vichy. At that time, Mr. Speaker, I was a young man of the province of Quebec, a member of the Société Saint-Jean-Baptiste and all French-Canadian associations in Quebec. At that time, the intellectuals who met in Montreal these last three days were defending Marshal Pétain just as we were. We were then blaming the actions of General de Gaulle, because we felt that Pétain, standing up to the invader in his own country at a time when France was unprepared to face a world war, had no other alternative to what he did. At that time, we were supporting Pétain and condemning de Gaulle, and some people of the Société Saint-Jean-Baptiste, gathered in Montreal two days ago, were of that opinion.

Some hon. Members: Hear, hear.

Mr. Caouette: It was said Pétain has been charged with collaboration. But I have an explanation. When an armed bandit breaks into a home, waving his gun, Mr. Speaker, many people are forced to do his bidding, because they are driven to the wall, and this is what happened to Marshal Pétain. Nevertheless, Pétain was sentenced to death; his sentence was commuted to life imprisonment and after having been dishonourably discharged by General de Gaulle's followers, died stripped of his rank and of all the glorious titles he had won during the first world war.

Mr. Speaker, General de Gaulle may try today to tell Quebec: Liberate yourselves, liberate yourselves, but it was not so long ago that Algeria, under the French régime, and the Algerian people fought an internecine war for 7½ years to obtain their independence, which led them where? Where they are now, with a standard of living decidedly lower than the one they formerly enjoyed, and surely that is the example General de Gaulle has in mind at this time.

Mr. Speaker, all this means that we can get along without the advice or intervention of General de Gaulle or any other head of state, whether from Great Britain or any other country in the world. Our people, whether they speak English, French, Ukrainian, Polish or Italian, in brief, all Canadians, are able to develop policies that are respectful of each and every one of their countrymen. The aspirations of the French-speaking Canadians are the same as those of the English-speaking Canadians. By showing mutual respect, we will set an example to the world with regard to political freedom and economic security.

Mr. Speaker, reference was made earlier to this conference of all the Canadian provinces which is now taking place in Toronto and where changes to be made in the constitution are being discussed. Everyone agrees that certain changes should be made in our constitution, but the provinces are not meeting simply to discuss the problem of language, French or English. It is a question of life or death for each of the provinces, for each one of them is faced with great economic and financial difficulties which prevents it from developing according to its own aspirations and possibilities.

And here, I appeal to the Prime Minister. The central government can help all the provinces, it can co-operate to maintain the unity so greatly desired by enabling each province, from an economic point of view, to make the most of its possibilities, its intellectual resources, its potential. Then, it will no longer fear the intervention of foreign leaders, of foreign countries in the administration of our national affairs.

Canadian affairs are our concern. We do not interfere in the affairs of France, England or any other country. Let us continue in that direction and through mutual respect by all, we shall build a greater Canada, a more prosperous Canada, which doubtless will set, from every point of view, an example for the whole world.

Some hon. Members: Hear, hear.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we in the Social Credit party join with the others in this house in deploring this further intervention by General de Gaulle in the affairs of this country.

• (3:10 p.m.)

Availing himself of the opportunity presented at the time of Expo, General de Gaulle chose to make his first unwarranted intervention into our national affairs. This most recent intervention is completely unwarranted, uncalled for, distasteful and unacceptable to Canadians everywhere.

Inquiries of the Ministry

In his address this afternoon the Prime Minister urged restraint in response to this latest statement, but I must say that a great many Canadians are becoming increasingly impatient over such statements. They require the Prime Minister to make his protests on behalf of this country both very loud and very clear. General de Gaulle's statement must be rejected firmly and without apology, so it is made abundantly clear that we in Canada are determined to govern ourselves in accordance with our own decisions and in harmony with our national aspirations.

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

Mr. H. Pit Lessard (for Mr. Macaluso) moved that the sixth report of the standing committee on transport and communications, presented to the house on Friday, November 24, be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of our great concern about what is going on in Cyprus, can the Secretary of State for External Affairs give the house any further information as to how matters now stand and what action the government of Canada may be taking in this regard?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation in Cyprus continues to be tense. There is really no change in the situation since I reported to the house yesterday. The special representative of the government of the United States has been engaged within the last few hours in trying to compose further differences between the two Mediterranean countries, Turkey and Greece. He has succeeded, I believe, in narrowing the differences.

Having regard to the suggestions made to the parties by the Secretary General of the United Nations I would hope that before the day is out we might see some more definitive statement from the United States emissary as well as from Mr. Rolz-Bennet, the representative of the Secretary General. At this moment I cannot report a final decision.

[Mr. Patterson.]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the mandate under which the peace keeping forces are operating in Cyprus requires authority from the security council before they may be withdrawn. Will the minister take the necessary steps to obtain that prior authority from the security council so that if war breaks out the Canadian troops can be withdrawn without delay?

Mr. Martin (Essex East): Mr. Speaker, I think the Minister of National Defence would confirm that there is every confidence in the effectiveness of the plans of the United Nations itself and of the components of the force should they be required.

Mr. Churchill: Mr. Speaker, it is unusual for me to ask for clarification from this minister, but will he obtain prior authority from the security council so the peace keeping force may take action in withdrawing if that becomes necessary?

Mr. Martin (Essex East): Mr. Speaker, there is of course a difference between the evacuation and the withdrawal of a force. When the withdrawal of the United Nations force in the Middle East took place we took up with the Secretary General what position would be taken with regard to the withdrawal of the force in Cyprus. The Secretary General said that before that force would be withdrawn or disbanded he would refer the matter to the security council.

Having regard to the evacuation or withdrawal of the force for security purposes, that is a matter which in accordance with the plans already made, rests with the commander of the United Nations force.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question for the Minister of National Defence. Is he in a position to report to the house in respect of dissatisfaction among the ranks of Canadian troops under UN command in Cyprus? I ask this question as the result of a Canadian Broadcasting Corporation interview with non-commissioned officers in the force.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I believe the question of the hon. member is much too general. What he is apparently referring to is a purported declaration by a sergeant that he did not know whether to stand or run. My suggestion to this sergeant would be that he ask his commanding officer, who knows what to do.

Mr. Nesbitt: In view of the fact that this situation was brought to our attention by the Canadian Broadcasting Corporation, an emanation of this parliament, I am wondering whether the minister will investigate the matter and report to the house in a day or two.

[*Later:*]

Mr. Andrew Brewin (Greenwood): I should like to address a further supplementary question to the Secretary of State for External Affairs. During discussions of this matter will the minister propose to the security council that additional powers and personnel, if necessary, be given to the UN force in Cyprus so as to prevent any future build up of forces and war materials which might result in an outbreak which would be in contradiction of the Zurich agreement?

Mr. Martin (Essex East): Yes, Mr. Speaker, that has been borne in mind in recent discussions. My hon. friend will recall that the Prime Minister made some reference to this in London the day before yesterday.

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question for the Prime Minister. I am sure members of the house and the country generally would be grateful for any report the Prime Minister could give about his discussions with the British government in respect of the problem in Cyprus, particularly as to whether any concrete steps were discussed or projected during his conferences.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I discussed with them the proposals that had been made and the discussions which had taken place among the governments of the United States, Britain and Canada. The results of these discussions have been made known in this house by the Secretary of State for External Affairs. Certain proposals were put forward which have been used as the basis for subsequent negotiations by the representative of the President of the United States. He is making an effort to get an agreement on these proposals, with the modifications which may be required. Those are the steps being taken now which we hope will result in the solution of this crisis.

[*Translation*]

FINANCE

GOLD—INQUIRY AS TO INCREASE IN PRICE

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Minister of Finance and Receiver General.

Inquiries of the Ministry

In view of the fact that gold is being sold very readily on the world's market at the present time, can the minister indicate whether a possible increase in the price of this very precious metal is considered?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker.

SHIPPING

MONTREAL—REQUEST FOR REPORT ON LABOUR DISPUTE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Minister of Labour. I believe the injunction to which the minister referred yesterday in answer to a question put by the hon. member for Fraser Valley has been granted. Can he report today on the effect that it has had on the St. Lawrence dock situation?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, the longshoremen gangs were called up for one o'clock today. I am hoping for a report at any moment on the number of gangs that have shown up. I do welcome this question, however, because it affords me an opportunity to say that I think that the action taken by one of the parties to the dispute, which resulted in the interim judgment yesterday and the outome, fully vindicate the stand taken by the government throughout the last few weeks.

TRADE

PROTECTION AGAINST IMPORTS OF SUBSIDIZED FOODS

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. Has the minister received a brief from the Canadian Food Processors Association and the horticultural council asking for assistance to protect our Canadian food processors and producers against unfair subsidized competition from abroad?

Mr. Speaker: Order, please. I wonder whether the hon. member would have a supplementary question. It is not acceptable simply to ask whether a brief has been received by the minister. That does not constitute an urgent matter.

Mr. Irvine: Mr. Speaker, this is a very urgent item, and I will rephrase my question. In view of the subsidy that is now being paid

by Italy on processed food entering Canada, is the government contemplating any immediate action to protect Canadian food processors and producers against this type of unfair, subsidized competition?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, we have had meetings with the organizations in various processing areas. Certainly the government has under advisement the problems with respect to imports into Canada of processed foods which are in fact subsidized by the countries from which they emanate. We will certainly consider very seriously appropriate action to protect our processors and primary producers from any unfair competition in this regard, and any such action will of course be announced in the proper manner.

[*Later:*]

Mr. H. W. Danforth (Kent (Ont.): Mr. Speaker, I have a question for the Minister of Agriculture arising out of a question put to the minister today regarding the importation of subsidized processed fruits and vegetables. Have any conferences or consultations been arranged with the governments concerned with a view to establishing voluntary quotas or the reassessment of previous trade agreements?

Mr. Greene: No, Mr. Speaker.

Mr. David MacDonald (Prince): May I ask a supplementary question of the Minister of Agriculture. Can he inform the house whether his department is giving consideration to the setting up of a central marketing board for all agricultural products?

Mr. Speaker: Order. This also is a very general question which should not be asked at this time.

INDUSTRY

COPPER—PRICE INCREASE BY NORANDA COMPANY

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Finance in connection with his promise a week ago that an investigation would be made into the action of the Noranda mining company in raising the price of copper. In view of the fact that since that time they have changed the formula but the price is still fixed at 51 cents and in view of the fact that the Hudson Bay Mining and Smelting Company has now instituted a similar action, may I ask the minister two questions; first, is the investigation continuing in spite of this change of formula, and second, will it include as well the Hudson Bay Mining and Smelting Company?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, as the hon. gentleman knows the Noranda company changed the formula under which they were going to price copper. They were going to relate the price of copper to the price in the United States. I felt that this was hardly consistent with the statement they made that they had increased prices in Canada because of internal inflationary conditions here.

We are continuing to make inquiries about the basis for the increase in price to 51 cents, the price at which it is now fixed, and the actions of other companies.

Mr. Douglas: May I ask the Minister of Finance when he thinks such an investigation will be completed?

Mr. Sharp: I cannot answer this question, Mr. Speaker, because this is a matter which I should also like to discuss with my colleague the Minister of Trade and Commerce, who is directly concerned.

NATIONAL CAPITAL

REPORTED PROPOSAL TO ESTABLISH BILINGUAL FEDERAL DISTRICT

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the right hon. Prime Minister. Is it the intention of the government to propose next January the establishment of Ottawa as a bilingual federal district, as announced by the parliamentary secretary to the Minister of Energy, Mines and Resources in Hamilton last Friday?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is not urgent and could be placed on the order paper.

CANADA PENSION PLAN

MEETING OF ADVISORY COMMITTEE IN OTTAWA

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Minister of National Health and Welfare. The advisory committee on the Canada Pension

Plan will hold its first meeting in Ottawa on December 4 and 5. Would the minister inform us whether this meeting will be open to the public, to enable the committee to hear the views of individuals and briefs from groups?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

COMMONWEALTH RELATIONS

RHODESIA—POSITION OF GOVERNMENT RESPECTING SANCTIONS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): My question is for the Secretary of State for External Affairs. In view of Canada's determination, as expressed here today, to resist any interference in our internal affairs, will the government now cease its attempt to overthrow the government of Rhodesia by the imposition of sanctions?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend should know that the two situations are not comparable.

NOVA SCOTIA

REQUEST FOR PROGRESS REPORT ON DISCUSSIONS RESPECTING STEEL PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Prime Minister. I realize he is a very busy man and his shoulders are heavily burdened, but could he possibly advise the house of the day when he may meet the premier of Nova Scotia with regard to possible financial assistance from the federal government in dealing with the steel crisis? May I also express the hope he will deal with that matter as commendably as he has dealt with the ravings of General Charles de Gaulle.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope to meet the premier with the least possible delay. A communication from him was forwarded to me in London, and I hope to discuss it with him and with some of my colleagues with, as I said, the least possible delay.

[*Translation*]

EXTERNAL AFFAIRS

BURMA—REPORTED DETENTION OF CANADIANS IN JAIL

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, may I direct a question to the hon. Secretary of State for External Affairs.

Has the minister any progress to report concerning the two young Canadians who are detained at the present time by the Burma authorities in Rangoon?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, our ambassador who is accredited to Burma is there at this time and I am expecting his report. The day before yesterday, we received the visit of the parents of one of the young men.

Mr. Valade: Mr. Speaker, may I ask a supplementary question.

Did the minister send a note of protest to the authorities in Burma concerning the way these young prisoners were held incommunicado for five months and were denied the right to legal counsel? Does the government intend to protest against such action in order to protect Canadians in foreign countries?

Mr. Martin (Essex East): That also will depend on the reports received from our ambassador and that of the United Kingdom.

[*English*]

YEMEN—INQUIRY AS TO RECOGNITION OF REPUBLIC

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is to the Secretary of State for External Affairs. Is Canada considering recognition of the southern Yemen people's republic, Aden and the federated states?

Mr. Speaker: Order. I must admit that I cannot tell whether this is a very urgent matter. However, I suspect it might not be.

DIVORCE

INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Minister of Justice. A little more than a week ago the Minister of Justice told the house, I think in answer to a question from the hon. member

for Peace River, that a bill with regard to changes in the divorce law of Canada had been printed. May I ask when the bill will be given first reading and whether, in view of the great and natural public interest in this matter, there is any chance it will be given second reading before the end of the year.

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, there is surely a possibility that the bill will get second reading before the end of the year; I expect that the resolution to introduce this bill will be moved any day now.

[*English*]

HEALTH AND WELFARE

REPRESENTATIONS RESPECTING CIGARETTE ADVERTISING AND SMOKING EDUCATION

On the orders of the day:

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the increased knowledge available and increased interest in the subject of cigarette smoking, when will this matter be referred to the health and welfare committee as promised some time ago?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, as I pointed out yesterday the health and welfare committee is presently considering a very important matter assigned to it by the house. As soon as there is some indication that this consideration will be completed, we will consider the reference to that committee of the subject matter mentioned by the hon. member.

REQUEST FOR COMMITTEE CONSIDERATION OF REGULATIONS RESPECTING VITAMIN SUPPLEMENTS

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the government house leader. Will the hon. gentleman consider referring the matter of the directions from the food and drug directorate regarding vitamin supplements to the committee on health and welfare?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Yes, Mr. Speaker, I will consider it, but I think I have prejudged the matter.

[Mr. Brewin.]

POLLUTION

TAX INCENTIVES TO PLANTS INSTALLING CORRECTIVE DEVICES

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 Energy, Mines and Resources and ask him whether in view of the serious, continuing problem of water pollution he can assure the house that the agreements with industry will be continued after the new year.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, we are presently inquiring into that matter.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. Will the incentives to industry in regard to water pollution be put on a permanent basis rather than the ad hoc basis on which they are now?

Mr. Speaker: Order, please. I feel that the question is much too general to be asked at this time.

[*Later:*]

Mr. Starr: Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Will the incentives to industry in regard to water pollution be put on a permanent basis?

Mr. Speaker: Order, please. I wonder whether this is not the same question the hon. member asked previously.

Mr. Starr: I rise on a point of order, Mr. Speaker. I ask for your guidance as to how I can evoke an answer within the rules, because of the importance of this situation.

Mr. Pepin: Mr. Speaker, I may not have been very clear when I answered a previous question on this subject. What I meant to say was that I am working on it now. The idea just mentioned is one aspect we are studying.

FINANCE

LOANS BY BANKS UNDER FARM IMPROVEMENT ACT

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that farm

improvement loans are no longer attractive to the banks because of the interest rate, and farmers therefore find it difficult to obtain financial assistance under the farm improvement loan plan; and in view of the severe cost-price squeeze prevailing in the agricultural industry, will the minister institute a search for ways and means to encourage the banks to continue to provide assistance to farmers under the farm improvement loans legislation?

Mr. Speaker: Order. The hon. member is making very general representations and submissions to the minister. I do not think this question could be considered acceptable at this time.

ATLANTIC AREA—REQUEST FOR CONSIDERATION IN BUDGETARY PROPOSALS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, I should like to direct a question to the Minister of Finance. In view of the recent statements and representations by the four Atlantic area premiers, will the Minister of Finance assure them and this house that his budget proposals on Thursday night and proposed expenditure cuts will be sufficiently flexible that they will not adversely affect the economy of the Atlantic region?

Mr. Speaker: Order. This is a speech, not a question.

MANPOWER

REPORTED DECREASE IN RETRAINING PROGRAMS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the minister of manpower. In view of the fact that recent amendments to the vocational and technical retraining program have resulted in a drastic decrease in enrolment, notwithstanding the worsening unemployment situation, would the minister take immediate steps to restore the effectiveness of this program?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I think I have already explained in this house the reason for the decrease in the number of persons assigned to retraining. The situation is correcting itself and I think that, in a few weeks, the hon. member for Brandon-Souris (Mr. Dinsdale) will not have any questions to ask on this matter.

[*English*]

Mr. Dinsdale: Inasmuch as the Indian citizens are most seriously affected by this problem, will the minister give special consideration to their situation?

[*Translation*]

Mr. Marchand: I have already stated, Mr. Speaker, that Indians and Eskimos were treated exactly like all other Canadians.

[*English*]

LABOUR CONDITIONS

CALGARY—LAY-OFFS RESULTING FROM CONSTRUCTION DECLINE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the minister of manpower. In view of the fact that Atco Industries in Calgary laid off 200 men last week as the result of a decline in the construction industry, has the minister been able to find any alternative employment for these men?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I am sorry but I did not hear the name of the company.

Mr. Harkness: The Atco Company, the Alberta Trailer Company of Calgary, which I believe, is the foremost producer of trailers and mobile homes in Canada.

[*Translation*]

Mr. Marchand: Mr. Speaker, I will inquire about the work done by the manpower officers and report on this matter soon.

[*English*]

TRADE

CHEESE—REQUEST FOR EXPORT ASSISTANCE FOLLOWING CURRENCY DEVALUATION

On the orders of the day:

Mr. Lee Grills (Hastings South): Mr. Speaker, I have a question for the Minister of Agriculture. As a result of the deleterious effect on Canadian exports of cheese of the devaluation of the English pound, has the minister or his department given any consideration to correcting this situation and giving some encouragement to the cheese industry? I may say there was no cheese sold through the local cheese board last week.

Mr. Speaker: Order. I believe the hon. member will recall a similar question was asked just two or three days ago.

Post Office Act

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I have a question for the Prime Minister. First will you permit me a word of explanation, since the Secretary of State for External Affairs does not understand the significance of my modest boutonniere. The name of the game is rugby. We from the west are proud of the achievements of the Saskatchewan Roughriders. I want to ask the Prime Minister if he will take the house into his confidence and let us know whether he has again made a wager against the Saskatchewan Roughriders with the hon. member for Humboldt-Melfort-Tisdale.

Right Hon. L. B. Pearson (Prime Minister): Yes, I have, Mr. Speaker, and my hon. friend will be feeling yellow and black next Monday.

Mr. More: A supplementary. Would he welcome wagers from other western members?

POST OFFICE ACT

AMENDMENTS TO PROVIDE FOR INCREASES IN POSTAL RATES, ETC.

The house resumed, from Friday, September 29, consideration in committee of the following resolution—Mr. Côté (Longueuil)—Mr. Batten in the chair:

That it is expedient to introduce a measure to amend the Post Office Act to increase by one cent the postage rates for letters posted in Canada for delivery in Canada; to provide an amended rate structure for newspapers and periodicals; and to provide further for certain changes in connection with the administration of the act, more especially in relation to tenders and contracts.

Mr. McCutcheon: Mr. Chairman, this will probably rate as one of the longest speeches ever made in this house. It was commenced on September 29 and if we had resumed consideration of this measure tomorrow it would have taken two full months. We are being asked to approve an increase in postal rates which will result in an increase in the cost of living for every Canadian and in the cost of doing business. The burden will fall chiefly on ordinary citizens because businesses will pass on the increase to the consumer while at the same time charging up additional expenses when computing their income taxes. Therefore in the case of business firms the increased rates will in reality only net the government a fraction of the amount they hope to raise. It follows then that the main burden of these increased rates will fall on the ordinary citizens of the country. Further, I suggest that these increases should only be considered as a last resort after all other avenues have been explored.

[Mr. Speaker.]

• (3:40 p.m.)

With this in view, Mr. Chairman, I have a few questions I should like to pose to the Postmaster General. The post office has 44,244 employees at the present time, or rather did have two months ago when my figures were prepared. In 1963 the total number of employees was 26,520. The question bothering Canadians is: Why was there a personnel increase of 69 per cent during this period while the volume of mail reportedly rose only 9 per cent? During this period the number of post offices has decreased from 11,336 to 11,172, a drop of 164.

If I may refer again to personnel, Mr. Chairman, in 1954-55 the post office operated quite efficiently with four or five so-called branches. Between then and 1959 the number of branches was increased to six with the appropriate number of directors. During this period the maximum growth of our cities took place. This was the period when the poor postman frequently found new subdivisions seemingly appearing overnight in what had previously been a cow pasture.

If ever a department did a job well, Mr. Chairman, it was in this period of maximum growth in our developing urban areas. All of this was accomplished with six branches. Now, in 1967, the post office has 13 or 14 directors, three assistant deputy ministers and five directors of personnel. I would suggest there are quite a few chiefs and that the increase in the number of these high priced individuals is taking place at an alarming rate.

This is just one of the mysteries of this department, Mr. Chairman. The fact that such a gigantic increase in personnel was not accompanied by a similar increase (a) in efficiency and (b) in volume of mail handled seems to indicate that the department probably needs considerable overhaul.

The committee has had the benefit of the minister's statement in regard to income and expenses, but I can find no accounting sheet or annual report that allows me to find out—indeed, I suggest it is impossible to find out—how much was spent on and how much was received from each kind of mail. Surely these figures exist somewhere.

In May, 1966 the minister said that he agreed with his predecessor that certain efforts should be made to follow up some of

the recommendations made by the Glassco royal commission. I have no way of knowing whether any of the recommendations in the Glassco commission report have actually been implemented, but I should like to refer to them for a moment. The commission made some specific recommendations, which are contained in the report on government organization volume 3, pages 350 to 351. Extensive changes were suggested in the operational scheme, the financial methods and in almost all aspects of the post office's work. The commission foresaw an annual saving of at least many millions of dollars if its recommendations were heeded.

The following, Mr. Chairman, is a summary of some of their money-saving recommendations: a time study approach in all offices, with a potential saving of $7½ million; reduction of wicket staff, with a potential saving of $2.8 million; an analysis of sortation methods, with a possible saving of $4.8 million; and a thorough analysis of highway transportation, with a projected saving of $1.2 million. These in total would provide a saving of $16.3 million. Therefore my second question to the minister is: Have any of these recommendations been followed? What action has been taken toward the implementation of cost-saving programs? Has there been any real effort toward economy? All indications are that there has not been any real effort in this direction.

Having this in mind, Mr. Chairman, I think that we should delay implementation of this legislation until the minister can come before the house and say: We have saved X dollars by reducing inefficiency; we can save X dollars by making certain changes in operation and sortation. In other words, when the minister is able to say that he has actually tried to cut costs and to maintain service, only then should we support the government on this new bill.

Whether or not the post office has instituted these recommended changes we do not know. However, before the post office raises its rates to the Canadian public we should be assured that every opportunity has been taken to reduce costs. Not only is there a lack of information available but there is a stupendous amount of misleading information, and it is my guess that greatly increased efficiency should be possible.

I suggest, sir, that this bill be delayed for say six months so as to give the Postmaster General the opportunity to initiate some innovations and to streamline procedures, but particularly to curtail expenditure. Perhaps if he really goes at the task properly he can lead the way in demonstrating to his colleague the Minister of Finance how a sincere effort coupled with action might obviate the easy way out of simply raising rates.

Mr. Mather: Mr. Chairman, there are a couple of reasons I have some particular pleasure in rising to take part in the discussion of the postal service and its rates. One of the reasons is that I am one of those who believe in the merits of public enterprise as well as private enterprise. I think the postal service of Canada, broadly speaking, is one of the best services of its kind in the world. It is probably the federal function that gives most satisfaction to most Canadians. I think the service is really wonderful when we consider the vastness of our country and the immense volume of mail which is handled every year which amounts, according to the figures I have, to approximately four and three quarter billion pieces of mail each 12 months, the vast bulk of which is picked up and delivered without error within 24 hours.

I think the degree of efficiency and lack of error in the postal service are quite well indicated by the fact that by the end of 1965, the last year for which I have an available figure, the number of inquiries—and an inquiry does not necessarily mean a complaint to the postal service—had dropped to 68 for every one billion pieces of mail carried. I doubt very much that any private enterprise can match the efficiency of the Canadian postal service. It is a very big service with approximately 44,000 employees and it does a business which amounts to $300 million a year.

I said there were two reasons I had some particular pleasure in saying something on this subject, Mr. Chairman, and my second reason is a personal one. At one time I was a letter carrier and was part of the postal service. I therefore know a little more about it than I might otherwise have known. You might say that I learned the post office business by mail.

• (3:50 p.m.)

At any rate, Mr. Chairman, the Postmaster General is asking parliament to increase postal rates in the case of letters being delivered in the postal area in which they were posted from 4 to 5 cents, an increase of 25 per cent, and in the case of letters which are posted in one district and are to be delivered in another from 5 to 6 cents, an increase of 20 per cent. These increases, if allowed,

would be on first class mail, on letters written and received by the people generally. In the case of second class or business mail, which covers magazines, newspapers and periodicals, the increase is not spelled out. It seems to be less than what has been proposed for ordinary, first class mail.

We object to three things, Mr. Chairman. The increase in mail rates generally comes at a strange time, considering that the government itself is urging everyone not to increase costs. If the deficit which the government aims to meet by increasing mail rates is $30 million, as reported, then the increase will be to cover that amount and will be paid directly by the general public through increased postage rates; or by commercial establishments such as telephone and hydro companies whose bills make up a great deal of the first class mail. Can anyone imagine that business will absorb the extra $20 million, say, that it must lay out in meeting increased postal costs? I submit that as usual businesses will pass on their extra costs to the consumers, the ordinary letter writers of this country. We submit that the government's proposal to increase postage rates will increase living costs for many people. They in turn will seek to offset their increased expenses by trying to obtain a higher return in earnings.

We also object on this ground, Mr. Chairman. Though for many years first class mail, the mail of the ordinary citizen, has been paying its way and making a profit in some years, and though over the same period second and third class mail, that mail which is distributed to make a profit for someone, has been carried, at a deficit and to that extent has been subsidized by the ordinary consumer who uses first class mail, suddenly the government says. Let us wipe out the postal deficit on commercial mail largely by imposing increases on the consumers' first class mail. If postal rates are to be increased at all, surely they ought to be increased in those areas where over the years they have been proven to be too low to meet costs. I am preferring to second and third class mail.

It is said, Mr. Chairman, that first class mail is beginning to show a deficit and that it may lose money. I suggest that we should wait and see. Before increasing postage rates for consumers, why does the government not find out exactly where the deficits occur? It is too early to say exactly which way the trend is going with regard to deficits on first class mail. It is not too early to say what has been happening to second or third class mail, that mail which has to do with commercial, private profit-making business.

The public accounts committee of the House of Commons this year made a report which contained this unanimous recommendation:

> The committee first drew the matter to the attention of the house in its 1958 report—

That is almost ten years ago:

> —and while minor changes have been made the annual loss has continued to increase and the committee is of the opinion that sufficient consideration has not been given to the solution of this problem. It considers it essential that the Post Office Department or parliament immediately find ways and means of covering the loss of the Post Office Department in handling second class mail . . . without this being done at the expense of other classes of mail, keeping in mind, however, the need of assistance to small independently owned newspapers circulated in rural areas.

Similar recommendations have been made by similar committees during the past six years. I make a similar recommendation today. The recommendations of the House of Commons committee, and I urge the government to heed them, have repeatedly been drawn to the attention of Postmasters General over many years. Possibly some post office difficulties have arisen owing to the high rate of turnover of Postmasters General. We have had no less than seven in the past six years.

Returning to my argument, I ask why should the Post Office Department face a deficit when ordinary first class mail has made a profit and mail having to do with private business has been carried at a loss which must be paid for by the taxpayer? I wish to quote from another source. The royal commission on publications in 1961 made this statement:

> Periodicals do not carry the full cost because it is believed to be in the national interest that there be the widest distribution of periodicals and newspapers—

According to the commission, much of this deficit, which increased from $20 million in 1960 to $30 million in 1966, can be attributed to periodicals which are mailed abroad and delivered in Canada. The Canadian post office derives no revenue from the delivery of foreign second class mail. 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. This arrangement is reciprocal and, in theory, equitable.

Between Canada and the United States that theory fails completely. Canadians

receive far more second class mail from abroad, largely from the United States, than they send abroad. We believe that the agreement which has brought about this situation should be renegotiated. It is not enough to say that boosting ordinary letter rates will take care of everything. We do not want to protect this situation any longer and we will not support any move that will add to the cost of living of the ordinary consumer of this country.

We ought to concern ourselves with other aspects of the post office. On the one hand the Post Office Department receives subsidies and benefits of approximately $25 million a year. These include provision for accommodation, buildings, and so on. On the other hand, the post office performs various services free of charge. Because of the free service it provides to members of the public and to members of parliament with respect to parliamentary correspondence, the post office is loaded with extra costs which according to the 1965 figures amount to approximately $4.5 million. It is not enough for us to tinker with post office rates at the retail level. In fairness we cannot increase or decrease those rates until we have a clear picture of the factors which interfere with the ability of the service to break even.

We regard the post office service as a basic service which the Canadian public has organized and which it uses and pays for. The service is a natural, public monopoly and we want it to pay its way, but that is all. We want no one class of the community to pay more or to pay less than in equity it ought to pay.

I should like the government to answer some questions so as to provide us with a clearer picture and better perspective of the dimensions of the post office service and what it costs to maintain that service.

• (4:00 p.m.)

For instance, what was the approximate value of subsidies to the post office, including accommodation, for the year 1966? What was the approximate value of the franking service and other services that were performed free of charge by the post office in 1966? What was the loss in 1966 incurred by the post office in the carrying of newspapers and magazines? What was the loss to the post office in 1966 in connection with second class mail posted in the United States for delivery in Canada? What has been the loss to the post office in the last ten years as a result of carrying *Time* and *Reader's Digest*? What was the value of printed matter imported into Canada in the last ten years and carried by our post office without remuneration under the terms of the universal post office convention?

In conclusion I summarize the position of my party with regard to the proposals to increase postal rates. We propose to let the first class mail rate alone. It is said that the rate may be resulting in a deficit. Let us study this for at least a year so as to be sure of what is happening, just as we are sure that the second class rate is incurring a loss.

In the second place we propose that the deficit which has all along been caused by subsidizing private business mailings be eliminated by increasing the rate in the area where it is low enough to cause a deficit, that is, in the second and third class rates.

Third, we ask that the government renegotiate the international treaty which has involved us in losses and bring about parity with the United States postal service in order that our consumers and publishers may not be subsidizing non-Canadian competitors.

Fourth, we want an examination—it might be through a committee or a commission or a special inquiry within the post office itself —of the various subsidies and charges borne by the postal service in order to bring out the facts and provide a clear picture showing who pays for what.

Fifth, we would like a study to be made in depth of the reported advantages of turning the post office into a public corporation, that is, a crown company operated quite separately from itinerant postmasters general.

Finally, what we in this party would like to see is a further advance in the modernization which has already taken place within the postal service. We should like its procedures and techniques brought increasingly in line with the era of technological production and distribution in which we are living. Today the post office faces a situation similar to that which the telephone companies faced a few years ago before they made their operations as automatic as possible.

We in this party aim to do what we can to bring about the most efficient service possible, the best service to the most people in the shortest time, and it is not in line with that philosophy for us to support the proposed increase in the first class mail rate.

Post Office Act

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Chairman, I shall take this opportunity to extend my sympathy to the Postmaster General (Mr. Côté), sponsor of this resolution. It is unfortunate to note that after less than two years, he has been forced to come begging to us again.

I remember that 21 months ago, the minister had accepted his appointment with the best intentions in the world and at the time, he had made his plans known to the whole country at a press conference. It is realized today that the minister is faced with the increased cost of living.

He has to administer a department which employs a great number of workers scattered throughout the country. Those workers must pay taxes like any other, in order to meet the requirements of financiers who are asking for a larger share year after year. Taxes and charges must be raised. Our businessmen, our industrialists, through force of circumstances, have become tax collectors have to hire additional personnel and this increases costs and requires an increase in the price of their products. The present minister faces all these increases: Increases in the cost of services, rents, wages, and so on.

In view of the problems brought about by the increase in the cost of living, the Minister of Finance last spring brought down a deficit budget. Nevertheless, the Postmaster General being an intelligent man, wants to run his department on a business basis. To meet the increases in rentals of departmental premises throughout the country, to meet the demands of contractors who supply the trucks, to meet the costs of transportation either by railroad or by air, it is obviously necessary to resort to a new increase in rates. I am not opposed to this plan, because I think that it is the department where the employees work the hardest. It is also a department which generally gives excellent service.

Personally, I had the opportunity to go to Vancouver last winter and I noted that a letter mailed on Monday afternoon had been delivered in Quebec Tuesday afternoon, 24 hours later. It is also known that from Ottawa to Quebec is a twelve-hour service.

I take this opportunity to congratulate the hon. minister who uses modern means in modern times. We know that trains or trucks are still more advantageous for short distances, and that planes are better for long distances.

There still are some rural areas which are served according to old methods because certain rules apply which date back to the days of wax candles when much of the transport was handled by ox-carts. Unfortunately, a few parishes in the riding of Portneuf, which I have the honour of representing, were served that way. Their service must be improved. Some time ago, I pointed out the situation to the hon. minister and I know he will do everything in his power to give satisfaction to the people concerned.

I take this opportunity to thank him for his co-operation. I wish also to tell the minister that the part of the resolution in which I am most interested is the last paragraph, and I quote:

> —to provide further for certain changes in connection with the administration of the Act, more especially in relation to tenders and contracts.

It is interesting to note that the minister is looking for reform because the old system was really obsolete, and I could quote many examples to this effect. I have here the list of all the contractors of my region, and it is deceiving to note the numerous price differences between the various parishes for contracts providing for the same mileage and about the same number of subscribers.

This situation is caused by civil servants who work for the party. I have noticed in the past two years—I imagine that things were the same before I came here—that when the time comes to renew a contract awarded to a member of the party, the government never calls for tenders. When citizens who do not belong to a specific political party are involved, however, tenders are called. That is when people try to cut each other's throat, when unemployed persons, faced with the problems of survival and an insecure future, make unreasonably low bids and are unable to discharge adequately the responsibilities involved in the circumstances, I cannot but welcome the projects of the minister for improving those methods.

I should like to ask the minister to make a limited personal investigation in another area, more particularly in respect to closing times of rooms where post office boxes are located. In three post offices located within a few miles of one another, hours during which access may be had to post office boxes differ. In one post office, access to the boxes is prohibited after 6:30 p.m., since the facilities are locked. Ten miles farther, in another post office, the public has access to the boxes till

7:30 p.m. Then, another 10 miles farther, the post office boxes are open till 9:30 p.m.

I made a telephone call again this morning; I was somewhat concerned because of the irregularity of the situation. In the light of these facts, Mr. Chairman, I come to the conclusion that the closing hours are related to the wishes or whims of certain employees.

In some post offices, the postmaster is responsible, but in others, we must get in touch with the Department of Public Works because the time during which we can have access to these boxes is decided by this department's officials. No matter who is in charge, standards should be established for such cases.

Moreover, as the rates for a letter or a parcel post are about the same, I imagine that for towns and villages of the same size, services should be comparable.

I hope that the minister will take into consideration the remarks of all hon. members. As far as the improvement of the few defective areas are concerned, I hope also that the minister will get in touch with the postmasters concerned because most of those employees work conscientiously. They work in the field and, in my opinion, they are really neglected. As a matter of fact, I am under the impression that they very seldom get a chance to speak. I suggest to the minister to consult those employees who would like nothing better than to put their intelligence at the service of the department by making suggestions that will benefit the Canadian postal service as a whole.

• (4:10 p.m.)

[*English*]

Mr. Cowan: Mr. Chairman, in taking this opportunity to comment on the resolution with regard to the proposed postal bill I wish to emphasize as vividly as I can that any remarks I make with regard to the post office are in no wise intended to reflect on the Postmaster General, whom I consider possibly the most conscientious member of the cabinet in the administration of his department. My reflections with regard to the resolution and the bill which will follow are directed primarily to the method by which legislation is placed before parliament, and I wish to comment on the manner in which so-called representative government never gives an opportunity to the people's representatives to do any governing.

When the broadcasting bill was introduced in the house I spoke at length on the manner in which it was brought in, pointing out that members of parliament other than members of the cabinet were in no wise considered with regard to the bill or its contents, that neither the caucus, nor the party in power, nor individual members of parliament outside of the cabinet were asked anything about the proposed legislation, and pointed out that pieces of proposed legislation are never shown to them. I said at that time that when the post office bill or resolution was brought forward I intended to make the same comments, and I do so again, if possible with a little more vehemence. If the members of the House of Commons wish to consider me conceited, that is their privilege. It is a free country. But I still stand here, as I have said on more than one occasion when the post office estimates were up for consideration or a post office bill was being discussed, and say that I believe I know more about the Post Office Department than any other member of the house.

I had 25 years close association with the post office in a business way for 24 hours a day, seven days a week. I am not exaggerating, because in the publication of newspapers with a circulation of one million a week, or 400,000 a day, you are in continuous contact with the Post Office Department. Yet as a private member of parliament, elected to this house from the riding of York-Humber, and as one who is conceited enough to say he does know something about the post office, I have never been asked a single, solitary question about it by any member of the cabinet, by anybody connected with the cabinet side of the so-called parliamentary system of government. But being on the right of Mr. Speaker I am immediately supposed to vote for anything which emanates from the cabinet mind because it is bound to be wholly right, wholly true, wholly correct.

I am not one who subscribes to the belief that the hand-picked members of the cabinet are right in every decision they make. How can you believe that every decision the cabinet makes in secret is right? When a general election comes around and a cabinet is unhorsed then you are supposed to criticize members of the former cabinet for what they thought were wholly right decisions when in office. I do not believe that any man is ever wholly right or wholly wrong, but I do believe that the representatives of the people should be given an opportunity to represent the people who elected them and present their views on the matters of the day that may be brought before the house.

I came into this chamber just now, after having been over to the committee reporting services branch checking on the reporting of some committees, when the hon. member for New Westminster was speaking. As a member of the Liberal party sitting to the right of Mr. Speaker I wish to say I personally endorse everything the hon. member for New Westminster had to say in commenting on this resolution. I do not believe for one moment that first class postage rates should be raised without the house having been advised what are the details of the losses on other classes of mail, second class, third class and parcel post, if there are losses. It is not satisfactory to this country to have members of the cabinet stand up and say, "There is a deficit in the post office operation. Therefore we are going to raise first class postage rates." First class postage rates affect everybody in the entire country, and why should all the taxpayers of this country be asked to carry the load for the business firms that are being subsidized by too low rates on the classification of mail in which they are primarily interested?

When the broadcasting bill was introduced I commented on the number of times that the minister introducing it, the Secretary of State, stated: Under this bill we will be doing this and we will be doing that and we will be doing the other thing. Never once did she say that the cabinet was asking parliament to approve their suggestion that such and such be adopted as the policy of the parliament of Canada. We were simply told straight from the shoulder what parliament was going to do with regard to broadcasting, because didn't she have a broadcasting bill to lay before the house? Now here we are again with another representative of the cabinet introducing other legislation.

I have before me *Hansard* for September 29, 1967, and as recorded on page 2685 the Postmaster General, a friend of mine, moved that the house go into committee to consider the following resolution:

> That it is expedient to introduce a measure to amend the Post Office Act—

Et cetera. As recorded on page 2686, during his speech he said:

> The new rate on a letter for delivery within the postal area in which it is posted will be five cents—

There was no suggestion there that members of the cabinet were in fact asking parliament to approve a rate of five cents for the first ounce or fraction of an ounce. Then he continued:

> The rate on a letter posted within one postal area for delivery in another postal area will be six cents for the first ounce—

What are we meeting for? Why do they not just put it into effect? They are telling us what they are going to do. Why waste our time discussing the matter if that is what the rates are going to be? But I agree with the hon. member for New Westminster that we want a lot more facts before parliament should be asked to approve an increase in the first class mail rate, which affects all the people of Canada and, without doubt, will be a subsidy to business firms using other sections of the postal service.

I was here when the minister made his remarks on September 29 and it was interesting to me to hear him say—I suppose the facts are given to him by officials of the department—as recorded on page 2689 of *Hansard:*

> The hon. member who has just made his speech—

That, by the way, was the hon. member for New Westminster.

> —suggested that the ordinary citizen would have to pay the bulk of the revenue to be provided by this increase.

• (4:20 p.m.)

> Let me tell him that the average citizen spends on the services of the post office $1.89 a year; the increase will bring this up to $2.12, so the ordinary citizen will be paying 30 cents a year more.

Then listen to this big business cabinet:

> But consider the position of the Bell Telephone Company, for example, which has telephones in every home and sends a bill to every house once a month. What about companies and corporations of this kind? It is they who will really be carrying the burden.

Well, I do not shed any tears over organizations the size of the Bell Telephone Company, but I like to ask the members of the cabinet where they think the Bell Telephone Company will get the money to pay the increased postage rates. If you increase the postage rates of the Bell Telephone Company they will increase their rates to their subscribers. I know of no reason why we should force the domestic taxpayer, the home owner, to pay more for first class mail service on the ground that outfits the size of the Bell Telephone Company will share the increase in the rate too, because any increase in the postage rate they pay they will get from the consuming public, and then suggest that there should be no objections and no argument about an increase in first class rates.

Since I am referring to what the Postmaster General said on September 29 regarding the Bell Telephone Company, I might ask him a question which I brought to the attention of the house a year or two ago. I asked whether the Bell Telephone Company had a special mailing rate for sending out its monthly invoices. Has that special rate been wiped out now?

Mr. Côté (Longueuil): On your recommendation.

Mr. Cowan: I am very glad to know that one slight change was made on my recommendation. I can hardly believe that that amount of attention was ever paid to a private member of parliament. I do not think, however, that this is great enough that we should throw our hats in the air in glee. The Bell Telephone Company for years had a special rate. When this was brought to the attention of this very able Postmaster General, action was taken so that they would be forced to pay the same rate as every other business firm in Canada when sending out invoices.

The question of the revenue from second class and third class mail and from parcel post has been gone into many, many times. The hon. member for New Westminster in the course of his remarks asked what loss we sustain by delivering throughout Canada second class mail originating in the United States from which the Canadian Post Office Department does not secure any revenue. When the hon. member for New Westminster asked about the United States he might have been even broader in his question and have asked about all the other countries in the world. A tremendous bulk of mail is pouring into this country from other nations of the world which comes in as second class mail and is delivered throughout the whole country, and the Canadian Post Office Department does not secure a cent of revenue from it. When the hon. member for New Westminster mentioned the United States no doubt he realized that the great volume of second class mail which comes from outside Canada comes from the United States, but there is a heavy mass of second class mail from other countries such as Great Britain and France, to name two more other than the United States.

In discussing this question of the loss on second class mail I should like to point out something which I have pointed out several times before. It is said that constant dripping wears away the hardest stone. I hope that with constant repetition we may get some action.

I do not know how many members of this house are aware of the fact that second class mail which crosses international boundary lines pays its postal revenue to the country in which it is mailed but that that revenue is not shared with any other country through which that mail may progress. To refer again to the hon. member for New Westminster, I may say that if mail is placed in a mail box in Chicago, Illinois and addressed to Vancouver or New Westminster, British Columbia, or St. John's, Newfoundland, the mail going east may come into Canada at Windsor, Ontario, and the mail going west may cross into Canada at Emerson, Manitoba. The Canadian government carries that second class mail from Emerson right through to New Westminster without a cent of compensation, and if it is going to St. John's, Newfoundland, it is transported from Windsor without a cent of compensation. The United States post office department retains the full revenue for moving that mail from Chicago to Emerson, Manitoba, or from Chicago to Sarnia. I do not see how any man can believe that this is a fair and proper division of the revenue from second class mail mailed outside of the country.

As I have said before and repeat now, for over 30 years definite requests have been made to the government of the day—this involves the Bennett government, the King government, the St. Laurent government, the Diefenbaker government and even the present government—for a proper adjustment of the revenue on international second class mail. We have the example of parcel post coming from the United States into Canada and parcel post going from Canada into the United States. On two days in the year all the parcels are hauled to the border and the post office departments of Canada and the United States very quickly analyse and calculate the weight moving on these two days, check how far the parcels are going in either country and, using these two days as the best example, they multiply by the number of days in the year and come up with the weight of the parcel post movement from Canada to the United States and from the United States to Canada, and the distances travelled in both countries. The revenue then is divided equally according to the ton miles carried.

Since this has been done on parcel post for years, why can it not be done on second class mail? We are given the answer that we are bound by the international agreement of the postal union which union meets every five years. We have the example of Right Hon. Louis St. Laurent, a very able and determined prime minister of this country who, when his government decided to put a tax on foreign publications coming into Canada, put the tax on the foreign publications coming into Canada even though hon. Mr. St. Laurent knew that this offended some agreement with regard to tariffs involving the U.S.A. When the U.S.A. protested about the unilateral action of the Canadian government under Mr. St. Laurent's able direction, he simply told the United States that we needed the revenue. Well, if hon. Mr. St. Laurent had enough backbone to tell the United States that this country of 20 million people alongside a country of 200 million people needed the revenue and therefore he proposed to put the tax on foreign publications, why cannot we in 1967 tell these foreign countries such as Denmark which hauls foreign mail the whole width of Denmark—40 miles in some places—that we do not believe Canada should have to carry their mail across Canada from Halifax to Victoria because the Danish government has carried our mail from one side of their small peninsula to the other?

There should be some reason and common sense shown. It is ridiculous that we move these tons and tons of mail through the Canadian postal service and do not receive a single solitary cent.

I knew that this resolution was coming up and I went to see Mr. Douglas Fisher, the former N.D.P. member of parliament for Port Arthur, and an able member he was. I was elected to the House of Commons in 1962 and Mr. Fisher was a member from 1957. I used to have numerous consultations with that indefatigable worker, which he was and is. I knew his views with regard to the Canadian postal service. I will give you a rough outline of the situation. The Diefenbaker government was in power. The postmaster general was Hon. William Hamilton, a man experienced in the advertising world. Mr. Fisher, the hon. member for Port Arthur, had been pressing Mr. Hamilton in respect of how much of a loss was involved in the handling of this foreign second class mail. Mr. Hamilton was interested in that problem and I am sure still is interested in it. He said that a very confidential study was being prepared in the Post Office Department and that he would release it to Mr. Fisher when it was ready.

• (4:30 p.m.)

Some weeks later Mr. Hamilton sent Mr. Fisher a typewritten statement which I have read about three times. Mr. Fisher pointed out to me that this was a confidential government document from a member of the cabinet sent to him as a member of the opposition and that he had been asked to keep it confidential and not to publicize the situation. This statement is really something to look at. The figures are unbelievable. Millions of pieces of mail are being handled by the Canadian Post Office Department without any revenue whatsoever accumulating to the Canadian postal services. This is a confidential statement. Surely it is in the files of the Post Office Department. If the minister wants to know where to find it let me tell him it is from Hon. William Hamilton who was then the minister in charge of postal services, and it was prepared at his request. I should like to see this statement brought up to date and presented to the house before we are asked to raise first class postal rates on letters being mailed throughout the country by the average taxpayer and home owner. I do not believe that first class mail users should be asked to subsidize second class mail originating outside this country, even though we are given the happy privilege of dragging it right across the nation at our expense.

Some comment was made on September 29 regarding the tremendous service the Canadian postal service is giving first class mail. Let me make a comparison with the United States. If you are air mailing first class letters in the United States you pay a special rate for that service. If you do not pay that special rate you get surface service at the rate that has been established for years in the United States. We are told that there is a deficit arising in the handling of Canada's first class mail. We are asked to believe, and I am sure it is correct, that the speed at which mail is carried within Canada is an example to every postal administration in the world. There is no mention made about the cost; we are just told that the speed at which the mail is carried in Canada is an example to every other postal administration in the world.

We are also told that domestic mail prepaid at first class postal rates, regardless of weight, will be given air mail service if this

measure goes through the way it is proposed. Why should all first class mail be moved by air? Not all first class mail has to be received the day after it is mailed. If people want that kind of service they should pay for it as they do in the United States. If surface mail is satisfactory across the country for much of the mail, why should the government worry about giving all-up mail service for all first class mail?

I have mentioned in the house before and I repeat that it was possibly 30 years ago when I heard the president of Trans-Canada Air Lines—before my confreres from Quebec jump to the rescue of Air Canada let me state that I am talking about 1937 when it was Trans-Canada Air Lines—make a statement in the Langevin block that he was not going to see T.C.A. operate at a loss and he would bill the Post Office Department with any deficit he thought he had, so he could show a block figure in the T.C.A. annual statement. I suggest to you that that is one way to run a postal service but it is not one of which I approve.

Why can we not have an analysis to find out what it costs to send mail by air services on a basis of weight and distance travelled compared with the cost of surface mail? There is no reason that we should use the most expensive method of transportation for first class mail, even if we do want to brag about the speed with which mail is carried in Canada, which we are told is an example to every postal administration in the world. If this is such an example to every postal administration in the world I should like to ask how many other postal administrations are following our example of using the most costly service possible for all first class mail even if not demanded.

The Chairman: Order. I must advise the hon. member that his allotted time has expired.

Some hon. Members: Continue.

Mr. Cowan: Mr. Chairman, I presume you need agreement.

The Chairman: Does the committee give unanimous consent in order that the hon. member may continue?

Some hon. Members: Agreed.

Mr. Cowan: I thank you, Mr. Chairman, and through you I thank the members of the committee for their kindness. I should like to make some further remarks on the matter of postal rates.

We were told in an explanation given on September 29 that there will be some substantial changes in second class mail. Why have not members of the house been informed since September 29 what those changes are to be? Why do members of parliament who represent 265 constituencies have to sit here in the dark waiting for the cabinet to release the details of the substantial changes in second class mail at some time at their pleasure? I believe we should be allowed to discuss these matters fully and frankly and then adopt legislation according to the representations made by the elected representatives of the people. But oh, no. That is not the way of government today.

As found on page 2689 of *Hansard* for September 29 the Postmaster General had this to say:

> Some of the magazines or newspapers now enjoying second class statutory rates will cease to have the benefit of these rates because we are working out a new definition of a Canadian newspaper or a Canadian periodical.

Note the words "we are working out". Are the members of parliament not allowed to work out a new definition of a Canadian newspaper, or do we have to rely on officials to work out that definition? Perhaps it is the cabinet which works out the definition. What are we sent down here for, just to act as rubber stamps on a piece of legislation once it has been worked out by someone, because we are not told who "we" is? I brought this to the attention of the house when the broadcasting bill was brought down.

Mr. Côté (Longueuil): It is the members of parliament.

Mr. Cowan: I should like to think the Postmaster General meant members of parliament. I should state that I believe the Postmaster General is one member of the cabinet who would like members of parliament to work out this legislation before it is brought down, and I say that with 100 per cent sincerity.

On September 29 the Postmaster General also stated that there will be free zones for weeklies. This is a contentious matter; yet here we have the cabinet telling us through the Postmaster General that there are going to be free zones for weeklies. How do you reduce the deficit in respect of second class mail by continuing free mail services for anybody?

After I spoke during a debate in this house about free postal services being available to publications with under 10,000 circulation

within a 40 mile radius of the office of publication you should have seen the editorials which appeared in those publications which enjoy this subsidy from the Canadian government. One could talk about the old adage, it all depends whose ox is gored; some of those editorials were absolutely childish. They suggested I was an ass, ridiculous, puerile, infantile and did not know what I was talking about. If you want to get the straight truth ask the publisher of a weekly who is getting free postal service from the Canadian government. I am sure he will tell you what the straight truth is. Don't ask a man who has 40 years experience and who knows the postal rates for those publications such as the ones with which I was employed, compared with free service. Ask the publisher of a weekly newspaper who is enjoying this free service and I am sure he will tell you the truth about rates. Anybody who does know will tell you that the value of this free postage service in one year amounts to hundreds of thousands of dollars for weekly newspaper publishers.

Let me ask the Postmaster General if we are going to have zone postal rates on second class mail. Why should Canada haul second class publications mailed in Toronto, Montreal, Winnipeg or Vancouver right across the country on a general rate? The government demands extra money through T.C.A. depending on the mileage travelled. It is a crown corporation.

• (4:40 p.m.)

The government demands extra money from the passenger depending on the number of miles he travels on the C.N.R., a crown corporation. It demands extra payment for freight hauled on the C.N.R. according to the mileage it traverses. It demands payment according to the mileage serviced for telegrams sent by the C.N.R., a government agency. Why does this not apply to the postal service? I can see no reason for asking a man who flies from Toronto to Vancouver to pay more on Air Canada than does a man who flies from Toronto to Port Arthur, when one considers that a paper mailed in Toronto is carried to Vancouver for the same rate as to Port Arthur. The airplane and postal rates cannot both be right. Let us have a little consistency in the government's administration of public funds.

I have made these comments, Mr. Chairman, and I mean every word that I said. There are other comments I could make but I do not wish to prolong the discussion as I am sure there are other members who have something to say on this resolution. However, I want to make it perfectly plain that I support 100 per cent the words of the hon. member for New Westminster in connection with this resolution.

[Mr. Cowan.]

Mr. McCleave: Mr. Chairman, it is always a distinction to follow the hon. member for York-Humber. I am sure it is a great relief to the members of the government when an opposition member rises and brings the house back to a relatively non-partisan atmosphere.

First of all I should like to say that I hope the Postmaster General and the government, if this bill is passed, will not introduce the new rates until after the Christmas season is over. I hope the Postmaster General, when he takes part in the debate later before the resolution stage is completed, will give us this assurance because during the Christmas season mail is dealt with in bulk quantities. Following the advice and request of the post office, people put stamps on their Christmas card envelopes, gather them together in bundles secured by rubber bands and mail their cards and letters by a certain date. Since some of these cards and letters will undoubtedly require a higher postage rate if this measure is passed, I hope it will be put into effect at a time of the year when it will not throw thousands of households into a great deal of confusion and require the extra licking of one cent stamps.

Second, and this is not a criticism directed solely to the hon. gentleman, we are disappointed that we have been told very little about this legislation at the resolution stage. The resolution stage was originally developed to enable a minister to assess the financial situation which the resolution and bill are to overcome. If this had been carried out we would have had figures from the Postmaster General with regard to the problems encountered by first class and second class mail and the other problems which he seeks to solve by the legislation, but he has not given this information either to the hon. member for York-Humber or to other hon. members. Instead, in his speech on September 29 the hon. gentleman referred to the four points which are to be considered in the bill.

On looking at some of the figures which have been supplied to me by researchers I am not certain whether a case for an increase in first class mail rates has been made. The Postmaster General stated that first class mail pays its way but later he

corrected himself and stated the opposite, that it costs about one cent more than is actually covered by the postage. This conclusion has been arrived at by arbitrary action by the Post Office Department in imposing on the first class mail structure 15 per cent or so of the costs not directly related to mail service such as the cost of operating the department. Neither I nor any other hon. member can say whether or not the case for an increase in the first class mail rate has been made out properly by the minister at the resolution stage of the bill. I think this is a defect in the proceedings.

Perhaps an alternative way of proceeding would be to establish a committee outside the house to which the government could say: Look, we have to do something about the deficit of $30 million in the Post Office Department. The committee would hear them out after which they would present some kind of measure to the house. In this way all members would become acquainted with the problem and would have the opportunity to present their own suggestions because, let us face it, once the resolution stage is over the legislation is not changed or is changed very little when it is introduced. Although what I wish to suggest is not possible in this case, I hope that at some time a committee will be established outside the house to deal with this matter, thus enabling us to discuss it with the officials of the department and to satisfy ourselves with regard to some rather perplexing figures.

For example, at present the Post Office Department has over 44,000 employees. In 1963 it had about 26,500. The increase is approximately 69 per cent. What has been the increase in the amount of mail handled in the intervening period of four years? In 1963 the amount of mail handled was 4.2 billion pieces, at an average cost of 6.02 cents. Last year the 4.2 billion pieces of mail had risen to 4.6 billion pieces, carried at a cost of 6.05 cents. In the interim there seems to have been a tug of war between increasing efficiency and an increasing cost factor which did not make it possible for the cost of handling mail to drop. Perhaps this was due to the increase in employees. It is quite obvious that at one stage of the game postmen were carrying too much mail, or it may be that now they carry too little. I just do not know what weight factors are imposed on the postal employees of this country.

On examining the operations of the department I notice that the distribution of post offices across Canada seems to be on a "roll out the barrel" basis. For example, Newfoundland has more post offices than New Brunswick although the former has a smaller population than the latter. Saskatchewan has 50 per cent more post offices than Manitoba, their populations being about the same. Saskatchewan has 33 per cent more post offices than British Columbia although a 20 per cent larger population.

Then we find that part of the smaller post office program—this is particularly true in my constituency—has been swept away and yet in other parts of Canada new small post offices are being built. I will not even try to infer sinister motives but the reason may be the serious cut-backs and slashings which are going on in government departments today to the point of affecting even that very vital source of employment for Canadians in the wintertime, namely, the winter works program.

I have pointed out some of the figures which have raised questions in my mind concerning the necessity for these increases. If these increases are necessary, where should the burden lie? Should there be a flat increase on first class mail or should it be imposed on second class mail? What about the documents which are being dropped from door to door, such as direct mail advertising? Should more be charged on such mail?

● (4:50 p.m.)

Personally, I believe that the Canadian people would be more satisfied if the present 5 cent rate for first class mail were maintained. If somebody wants to pester us with all sorts of grandiose advertisements for furniture or magazines, that type of mail should bear an extra share. First class letters, unless they are from the bank, are received with a certain amount of pleasure. The remainder of our mail is something to help start a fire in the fireplace.

The other point I wish to mention deals with the remarks of the hon. member who preceded me. On June 2, the hon. member for York-Humber was very critical of second class mailing privileges enjoyed by some of the weekly newspapers. I believe that an editorial which appeared in the *Canadian Weekly Publisher* for July, 1967 should be read into the record in defence of these newspapers. This magazine is the official publication of the Canadian Weekly Newspapers Association. Before I read this editorial I should like to ask the Postmaster General another question. If he does take part again in the debate on the resolution stage, perhaps

he would amplify his remarks about support from the postal rate for these little publications. These remarks are to be found on page 2685 of *Hansard*. If the Postmaster General means that the former support is to be continued, then I think these newspapers would be satisfied on this point, and I would be also. However, if he means some additional charge is going to be imposed upon them, perhaps not the full charge, then I would not be satisfied. I hope, therefore, he will make that point clear.

Mr. Côté (Longueuil): Will the hon. member tell me what he means by "small publications"? Does he mean the weeklies?

Mr. McCleave: I refer to the very small weekly newspapers. I am glad the minister did not give me an answer at this moment because this affords me an opportunity to put on the record some comments made in an editorial entitled, "M.P.—Irresponsible Talk". After making several comments on the remarks made by the hon. member for York-Humber, the editorial reads as follows:

> Thus we generously estimate (the exact figures have been supplied to the postal authorities by the C.W.N.A. Postal Committee) that the Post Office Department handles, free of cost, at the most some 500,000 copies a week.
>
> During the publishing year, with most newspapers closing one week for a plant holiday, this number amounts to 25,500,000 copies. At the usual mailing rate—3 cents for the first two ounces—the annual lost revenue to the Post Office Department is $765,000 at most.
>
> This isn't 4 per cent of that far more worrisome $30 million.

Then the magazine, in language which should appeal to the hon. member for York-Humber because it is as rough and ready as his own remarks, takes him to task for some of his statements. I do not intend to read that part into the record. What I do want to read is this:

> Mr. Cowan would like to know what other reasons there are to provide free mailing privileges to the smaller weekly newspapers.
>
> This may come as a surprise to the self-professed expert on publishing business, but Mr. Cowan should be aware that a small community newspaper is no money-maker to many a publisher. This service to the public is, if the publisher is fortunate, made possible by the job shop and stationery store run in conjunction with the newspaper.
>
> The publisher keeps putting out his newspaper also because it is the only means that provides a voice to the grass roots community and lends it some identity. Quite often the small newspaper is the only voice through which the government by publicity releases or advertisements—

[Mr. McCleave.]

This should appeal to the hon. member.

> —can reach the isolated or furthest corners of this country. Thus the newspapers not only provide service to their readers but help the government to communicate with its citizens.

I am sure, Mr. Chairman, the Postmaster General realizes the point I am trying to make. We must not look at this matter of postal rates as a simple matter of business efficiency and the recovering of costs according to the particular items to be mailed. We have to have some regard in this country for a policy which will enable the small weekly newspapers to survive. I hope the Postmaster General will clear up my questions on that score later in the debate.

Mr. Cowan: Mr. Chairman, I want to rise in connection with some comments made by the hon. member for Halifax.

The Chairman: I am sure the hon. member will recall the conditions under which the committee is debating this resolution. Standing order 61A provides the hon. member with 20 minutes during this debate and he has already exceeded that limit.

Mr. Mackasey: Mr. Chairman, I suppose it is just a coincidence that you have reminded us of the 20 minute limit just when I am rising to make my contribution. My first task, of course, is to congratulate the Postmaster General who has responsibility for the problems connected with the post office. Since I am a Montrealer I am very much aware and appreciative of the courage and initiative the Postmaster General has shown in connection with some of the internal labour problems of the post office and the forthright and direct manner in which he has intervened to the benefit of everyone concerned. I feel this is a tribute to the Postmaster General who has taken his role very seriously.

I do not share in the general criticism of the ambiguity of the resolution, at least in comparison with other resolutions with which we have been faced. However, I believe the hon. member for York-Humber has a legitimate grievance to some extent at least. The resolution does outline four general areas in which the Postmaster General intends to introduce legislation. We are given at least some idea of what he has in mind.

In reviewing the speech made by the minister I was impressed by the fact that 70 per cent or more of the first class mail in this country originates not from private citizens but from businesses. The bulk of any

increase in the cost of first class mail, therefore, will fall mainly on the shoulders of business. My observations at this moment are made from a rather intimate knowledge of the graphic arts industry. Prior to five years ago, when I first came to the House of Commons, I earned my living as the president of a graphic arts firm. I severed my connection with that firm very reluctantly when I realized I could not be a publisher and a member of parliament and do justice to the business of which I was head. However, I have retained my interest in that particular field of endeavour.

I am participating in this debate because of the effect, directly and indirectly, that the postal service and postal rates have on the graphic arts industry. I think there is no member in the House of Commons who is not aware that in his own community or his own constituency there are several one-man shops, some two-man shops and perhaps some rather sophisticated and efficient printing plants. In fact, Mr. Chairman, as of 1965 there were over 78,000 people engaged directly in the graphic arts industry in Canada. I know of no other industry in which 78,000 people are so widely distributed from one end of this country to the other. It is only natural that the graphic arts industry should view with apprehension any changes contemplated in our mailing services.

• (5:00 p.m.)

The hon. member for York-Humber made an excellent point when he said that owing to the population of Canada and the size of the nation we are by international agreement expected to absorb more than our share of providing mailing facilities for other signatories to the agreement. I think that at the next conference, which will be taking place in a few years, Canada should advance the proposal that the fund be pooled. As the situation is at the moment the fund is weighted very heavily on the side of the United States of America, with its vast population, and other countries with large populations and therefore with large mail flow.

One of the greatest inequalities suffered by the Canadian graphic arts industry in recent years results from the fact that so much direct mail coming into Canada originates in the United States. Years ago when I was associated with a printing firm I remember that nothing upset me more than to receive mail soliciting my business and asking me to purchase another piece of equipment or a new type of ink or a new can of solution, something I needed for the day to day operation of the business, which originated from the United States. I thought it was an insult to our graphic arts industry, which is so dependent on business from Canadian corporations, to openly approach me for business by mail which originated in the United States.

If you go into a supermarket today, Mr. Chairman, you will find that many of the labels on cans of food originate in the United States of America. The country of origin must be indicated by law. It gripes me, realizing the contribution the graphic arts industry makes to every little community, that when I buy a can of pears or peaches the label on the can bears the rather unobstrusively printed words, "Printed in the United States of America".

A question of cold economics, of course, is involved here. In the United States there is the advantage of the over-run. More and more Canadian firms have been trying to offset the competitive advantage of the United States which merely has to run its presses a few hours longer to print labels for Canada. Canadian firms have met this competition not only by being efficient but by being on the Canadian scene. However, I am a little apprehensive, as I mentioned to the Postmaster General if the mailing rates in Canada are increased in respect of third class mail. This class of mail includes the bulk of direct mail, and any increase in rates will mean increasing the competitive advantage of direct mail originating from the United States. Many subsidiaries of international firms will once again find it expedient to send direct mail from the United States, taking advantage of United States postal rates to solicit business across Canada in competition with local representatives of the graphic arts industry.

People ask me why the government should subsidize the graphic arts industry. Why should the government subsidize small printing firms in communities across the country by carrying their mail at a low rate? It would be equally logical for the representatives of the graphic arts industry to ask why the government should subsidize those who advertise not by direct mail but on the C.B.C. This form of advertising is subsidized through the amount of money the Canadian taxpayer puts at the disposal of the C.B.C. When a program on the C.B.C. is sponsored jointly by the Canadian Broadcasting Corporation and the Ford Motor Company, or whoever it is, we all know this is a form of

subsidy to a specific type of advertising. If it is not correct to do it in one case then it is not correct to do it in another.

I therefore would not view with any tremendous degree of alarm the fact that the post office may subsidize directly or indirectly, certain segments of the graphic arts industry. Sponsors who advertise on television and on the radio are equally subsidized. In fact, the story of Canada is one of subsidy, whether it relates to farming areas, the cities, the advertising industry, the graphic arts industry, radio or television. I am sure hon. members are all familiar with the amount of subsidization that exists in this country.

I am very resentful when speakers refer, as sometimes happens, to all direct mail as being junk mail. I think this is unfair. Whether we like it or not, the amount of direct mail is increasing. Whether we like it or not, at the present moment the pulp and paper industry is badly depressed in Canada. Because of overproduction and increased competition in foreign markets, one of the godsends to firms like the E. B. Eddy Company, Abitibi and others in Canada is the amount of fine paper that is used by the graphic arts industry in the production of direct mail. We may find ourselves in the ridiculous position of trying to increase the income of the Post Office Department by increasing rates on third class mail which could result in a decrease in revenue from the 12 per cent tax that is applied to all pieces of direct mail produced in this country.

I do not pretend that every piece of direct mail produced in Canada is tasteful any more than every advertisement seen on television is tasteful. In this regard I think particularly of advertisements for the drug or pharmaceutical industry depicting men with hammers banging on their heads or their stomachs, and other similar exaggerated advertisements. They are no more tasteful than some of the direct mail which is sent out every day of the week in Canada. However, by and large the direct mail distributed in Canada is tasteful and attractive. If it is not it does not capture the imagination of the people, and if it does not do that people stop using direct mail and turn to other media of communication such as television, radio and the daily newspapers. Before hon. members condemn direct mail per se I would ask them to reflect a little and to realize the good effect that direct mail does have on the graphic arts industry, with the resultant good effect upon their communities as well as mine.

It is for this reason that I am not concerned about the fact that direct mail may or may not be handled at a loss to the Canadian taxpayer, any more than I am concerned about the fact that advertising on radio and television is subsidized from the huge grants we give the Canadian Broadcasting Corporation. But I am concerned about any increased charge to the graphic arts industry in the form of a further increase in third class mailing rates. I say further increase because there was a substantial increase on October 1, 1967 which had to be absorbed by the graphic arts industry. This added burden, which may or may not be imposed by the Postmaster General—the resolution is not too clear about this—could very well mean the difference between further expansion in Canada of the graphic arts industry or a return to the old practice of mailing direct from the United States. This practice is to the complete and total disadvantage of the 78,000 people employed in the printing industry in Canada, as well as the fine paper merchants and others who benefit from direct mail.

I could go on, Mr. Chairman, during the short time at my disposal to point out that there is more to printing than somebody merely running a printing press. The graphic arts industry of Canada gives work to artists, to creative people, printers, translators, copywriters, proof readers, and all those other trades so familiar to the hon. member for York-Humber and other members who have been more directly associated with newspaper work.

• (5:10 p.m.)

As I mentioned, the resolution lacks information. As found at the bottom of page 2685 and the top of page 2686 of *Hansard* the minister said that he intends to define clearly those publications that will be carried as second class mail and those publications, weekly or otherwise, which will be relegated to third class status.

I am concerned about the following remark to be found on page 2686 of *Hansard* where the minister is reported to have said:

> Publications which do not qualify as Canadian will come out of the second class statutory rates category.

I hold no brief for magazines which do not qualify as Canadian magazines. Hon. members who were here in 1963 may recall that

as the member for Verdun I rose in the house and suggested that *Reader's Digest* and *Time* Magazine ought to be run out of the country. I spoke for half an hour and gave my reasons. I said that since many employees of the firms that publish these magazines reside in my riding it was high time to stop procrastinating with respect to the O'Leary report, as it was known, and that we ought to decide whether these magazines were Canadian. A long debate followed and from it emerged comprehensive legislation which, among other things, prevented a further decline of Canadian magazines, reduced the possibility of United States publications competing unfairly with domestic publications and prevented Canadian newspapers from ever becoming foreign owned or dominated.

From my understanding of the law, and I expect that the minister will make a statement on second reading, first class mail rates are statutory and third and fourth class mail rates are non-statutory. I believe that everybody understands what that means. For instance, on October 1 the minister in his wisdom—and I say this objectively—decreed that matter which is classified to be carried as third and fourth class matter would be subject to an increase in postal rates from that date. It was not necessary for the minister to come before the house because any action he took was authorized under existing legislation. I expect the minister's reasons for his action were that he felt that the burden of cost of third class mail was such that these categories should pay higher postal rates. I do not object to that.

Nevertheless, I am concerned about magazines and newspapers being placed in the non-statutory category, and for this reason. They will find themselves in the onerous position of being subject to increased rates by regulations which may be applied, and these new rates imposed by regulation need not be scrutinized by the House of Commons. To make my point clear, let me say this. A government—any government—in one year, two years, five years or ten years, which may be upset by the editorial comment of a magazine or newspaper falling in the third class rate category, may resort to using the psychological weapon that it has in its hands. At the top of page 2686 of *Hansard* the minister said that publications which do not qualify as Canadian publications will be removed from the statutory rate category. The minister did not say whether such publications are to be included in the third or fourth class categories. Conceivably, a new category could be created for such publications. My point is that I do not think it advisable to remove any publication, Canadian or non-Canadian, from the statutory rate category and place it in the non-statutory rate category. I have given my reasons for saying that.

Once a publication is placed in a non-statutory category the government of the day—and this includes my government—has in its hands a weapon that may be unfairly used. Should the government not be pleased with the editorial comment of a magazine it may use the weapon it has in its hand and threaten that magazine—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

An hon. Member: Carry on.

Mr. Webb: Mr. Chairman, most of my remarks will take the form of questions directed to the minister, but first I wish to thank the minister and his department for the co-operation I have received in the past.

I am concerned about the thousands of small post offices which are being closed. I realize that the department thinks that closing these post offices will result in economies. I remind the minister that many small post offices, most, in fact, are run by merchants who operate small stores. The post office brings in extra revenue which helps to defray general store expenses. The post office also attracts customers to the store who buy goods. By closing post offices the department will inevitably put many hundreds of small businessmen out of business, and these businessmen are all taxpayers. The country as a whole will not benefit from these economies and the department ought to strike a balance between the benefits that may accrue to the country from the economies of closing small post offices and the benefits that will accrue to the country from allowing taxpayers such as small businessmen to continue paying taxes. It is convenient to have a post office in a small store. Those who visit the post office get their mail, buy stamps, money orders and what have you, and buy goods from the merchant.

I wish to bring to the minister's attention that in the previous fiscal year—I am not referring to this year—171 new revenue post offices were built, 139 of them in four provinces. It is nice to have a new post office; every small town would like to get one. But

when 139 out of 171 post offices are built in four provinces and the country has ten provinces and two territories it becomes evident that there ought to be a better distribution of post office buildings. Newfoundland has more post offices per capita than any province of Canada. No doubt the minister is aware that Newfoundland post offices are all monuments to John Whitney Pickersgill.

Some hon. Members: Oh, oh.

• (5:20 p.m.)

Mr. Webb: I should also like to ask the minister whether he would not consider setting a rate for rural and urban mail carriers so as to eliminate the cutthroat practices which go on today. As things are, tenders are called and one person can take a contract away from another by bidding say $10 less, though possibly his equipment is dilapidated and the service provided will not be as good. I believe this situation should be looked into. A few years ago I was talking to an official of the department and he told me he had tried to promote such a course as I have suggested but had not got very far. If the department would set a rate of 20 cents a mile for urban deliveries and 25 cents a mile for rural deliveries I believe we would get better service. Today many carriers are operating at a loss. They bid a little less than the other fellow and are awarded the contract but get little benefit from it. As to cost, I am sure that when the department calculates at the end of the year how much is needed to keep a postmaster and caretaker in all these new post offices it will be found to exceed the cost of the local deliveries which are being made now.

I should also like to ask the minister whether it is true that today there are some janitors who are receiving larger salaries than the postmasters.

On the subject of newspaper rates may I say I am very sympathetic toward those who publish and read weekly newspapers. Many of these papers are ceasing to be published; those who put them out are finding it increasingly difficult to get along. I can appreciate the government's objective in trying to reduce the deficit which the department is incurring. At the same time I believe we should take a look at what is happening in some of the other departments of a government.

I am thinking particularly of the C.B.C. which is subsidized to the tune of many millions of dollars a year. I am sure many hon. members will agree that many C.B.C. programs are scandalous and shameful. Only a few weeks ago my attention was drawn through letters and personal representations to a program on abortion. People were ashamed to sit with their families and watch it. Many of the corporation's programs are in this category. I contend that if we subsidize the C.B.C. to the extent of millions of dollars we can subsidize the little weekly newspapers which bring personal and local news to the people of the area. These papers have to depend on very limited advertising and, as I say, they are finding it difficult to get along. As to the program I have mentioned, I certainly agree with what was said by the minister in charge of the C.B.C. and I am sure the majority of the Canadian people do also.

Finally, can the minister tell us how much revenue this additional one cent in postage will bring to the government?

Mr. Grills: Mr. Chairman, may I say a brief word on this resolution. I agree with what has been said by my hon. friend and others in connection with the closing of many small post offices. I learned from the minister himself that it was the intention of the department to close some 700 or them across Canada. Would the hon. gentleman not give some consideration to factors other than revenue which are involved when some of these small post offices are closed? Would he not consider the services rendered and what a post office means to our small communities? Closing the post office is equivalent to destroying the identity of some of these small communities.

As hon. members can appreciate, there are common bonds which unite these communities—the church, the school, the local store and the post office. Often the local store includes the post office, and the post office has a value which cannot be measured in dollars and cents alone.

I know that several of these small post offices in my own county are to be closed. The people who use them are unhappy about the way in which the department has gone about this. There has been no opportunity for protest, just an announcement that the office will be closed. I hope the minister will not be too hasty about proceeding in this direction and that he will consider the feelings of the people who use these services. I agree we are facing economic problems but the social benefit which arises from the presence of these post offices is surely something which must be balanced against purely economic

considerations. It should be remembered also that it will be necessary to pay someone to deliver the mail. In any case, the loss of post offices will affect our communities adversely to a large extent.

Turning now to another matter, when I first came to this house complaints arising from post office service could be directed to a district supervisor who lived somewhere in the area concerned. This officer would investigate individual cases and if he found evidence of fault on the part of the post office the situation would be corrected. This system worked very satisfactorily.

I do not know when the change occurred, and I am not blaming the minister for it, but I now find that the administration has been centralized and that complaints must be made to Ottawa. The service of investigation is slower, and it seems to me that the extra mileage cost must be considerable. As to the over-all service, I have received more complaints in the last 12 months than I ever received previously. Various factors may have contributed to this situation. Whether it is the attitude of the postal workers or not, I am not prepared to say. But I do believe that the removal of the district supervisors, as we knew them, has been detrimental to the service as a whole.

I hope the minister will give careful consideration to the points I have raised, particularly with respect to my plea concerning the small post offices. Some of them, I know, could be closed without any complaints arising; the people would accept the decision. But in other cases they will accept it only with the greatest unwillingness after closure has been forced upon them.

Mr. Otto: Mr. Chairman, I intend to support this resolution. Indeed, I would have been pleased had the minister gone further than his proposal to raise postage rates by one cent and give effect to some amendments to the rate structure in connection with newspapers and periodicals.

From time to time I have heard the minister make remarks to the effect that it is about time we put the post office on a businesslike basis. This prospect, of course, shocks the daylight out of a great number of people who regard the post office as an institution which is independent of normal accounting. Any change intended to make it a businesslike organization fills them with consternation.

• (5:30 p.m.)

When we are talking about the post office organization as part of a government department we must remember there was a time when the delivery of mail was very difficult and costly. That was during the days of the steamships, the pony express, and so on. Today we have so many other methods of communication that I am sure all of us must wonder whether the business of carrying messages and information is so essential that it cannot be self-sustaining like any other business, and whether it must continue to receive a government subsidy.

Let us get down to basics. In part we are talking about pesonal letters, and objection has been raised to a one cent increase in the postage rate on them. Today, with Canadians being the greatest users of telephones in the world, I doubt that any citizen sends more than one personal letter a week. In that case the increase in the rate would mean approximately 50 cents a year. If a person sends two personal letters a week the increase would be approximately $1 per year. Of course there is the Christmas card business, and I am at a loss to know whether the great increase in mail around Christmas time is so essential to our way of life. I am sure that individuals would have no objection to paying a proper proportionate increase on their personal correspondence if the Post Office Department were organized as a crown corporation and were self-sustaining. But then we must consider business firms which might say: Well, this would be very costly to us.

Some time ago I calculated the cost of sending a letter in an ordinary law office, and I am sure the same cost would apply in most other business offices. The total cost was $2.22 taking into account the typewriter, dictating time and staff wages. That cost has now risen to $2.76 per letter. I am of the opinion that business would be much improved if it cut out about 75 per cent of its correspondence by mail and conducted its business in a more efficient manner. American corporations have gained a lot of ground in office management, and in most offices in the United States letter writing and memo writing are frowned upon. There are other methods of conducting business apart from the sending of letters.

Turning now to the question of direct mailing I point out that when it was introduced it was a good system of promotional selling, but that was 30 years ago. It was cheap and one did not expect more than a 2 per cent or 3 per cent return. In effect the

government subsidizes such advertising through its postal rates. But if we are concerned about production, as I am sure the Minister of Finance will remind us on Thursday night that we should be, then business should adopt the most efficient and forward-looking methods of selling.

I am not too concerned about direct mail advertising. Some of the people engaged in that industry will be concerned, but their talents can be used in other directions. Time and time again it has been proven that direct mail is not the best way to sell, but as long as it continues to be the cheapest way it will be used.

I would disagree with the minister a little on the question of periodicals and newspapers. If we are to sustain and promote Canadian magazines and periodicals it will be a difficult task considering the large area of Canada which our magazines have to cover and our relatively small population compared with that of the United States. I think the low postal rates for newspapers and magazines should be considered as a worth-while contribution to the promotion of Canadian magazines, but I would stress not of all magazines. We must have competition. Magazines are not good merely because they are Canadian. They must be good magazines in themselves, competitive with American magazines. When they are, then they should be supported. A magazine published in the city of New York can have a very profitable circulation in the state of New York, even in the city of New York alone. By contrast Canadian magazines have to be sent all across Canada, and therefore I favour consideration being given to our magazines and periodicals.

In conclusion, Mr. Chairman, I seriously think it is about time we got down to putting the post office on a business basis, and not necessarily by arbitrarily setting postage rates. I support the minister in his thinking that it should be a crown corporation properly run in a businesslike way. There is a relative, comparative cost for all articles which are mailed, whether they be magazines, newspapers, personal letters or business letters. This cost can be measured accurately. One can calculate the weight of magazines, how many of them can be delivered compared with letters, and having arrived at the total I believe these articles should be charged accordingly. The same applies to direct mail and to business correspondence. If businessmen want mail delivered six times a day, six days of the week, there is no reason why they should not pay for that privilege.

It is about time that the House of Commons considered transforming the letter organization of the Post Office Department into a self-sustaining, efficiently run business organization. Not for one moment do I imagine that this can be done overnight, and I do not think it should be done overnight. However, improvements should be made and thought should be directed toward establishing an efficient crown corporation that will have complete charge of all post office matters.

Mr. Patterson: Mr. Chairman, I would like to suggest that the government seems to be following rather strange methods to signal the approach of Christmas. We have had an announcement that on Thursday night the Minister of Finance is going to introduce another budget to impose increases in taxes. This does not seem to be a very nice Christmas present. Now we have the Postmaster General introducing legislation which calls for an increase in postal rates. I hope we do not get any more such Christmas presents at least for some time.

• (5:40 p.m.)

I should like to refer to the minister's statement on June 2, 1967 as recorded on page 1083 of *Hansard*. He said:

> The Canadian post office is something more than a mere processing plant. It is not only a matter of receipts and expenditures. It also concerns the people. It is a matter of buildings and working conditions. It is also a matter of a service rendered to the entire population and to the country.

On the basis of that statement I should like to raise a question concerning the advisability of the suggestion just made by the hon. member who preceded me in this discussion. We ask whether it is absolutely necessary that a service such as this be self-sustaining in every respect. Reference has been made today to the subsidizing of other media of communication. If we are to subsidize from the federal treasury such institutions as the Canadian Broadcasting Corporation and others which carry on an advertising operation, then perhaps there is some justification for continuing some kind of subsidy in the Post Office Department, at least with reference to some of its operations.

The resolution before us deals particularly with an increase in the rate on first class mail. I think one member raised the question

today whether or not it is absolutely necessary to raise the rate on first class mail in order to make this phase of the operations of the Post Office Department self-sustaining. I do not believe the minister has given any proof that this operation is going to be in a deficit position. Possibly, therefore, we should have a clarification on this matter first of all.

I suggest that a further increase in postal rates will, of course, contribute once again to the increase in the cost of living. We should look at it from that point of view. We are endeavouring to find every possible means by which to hold the line and possibly lower the cost of living. But here we have one more indication that there will be an increase because we all know that any increase in this respect will be passed on to the people involved.

The hon. member for Verdun in speaking this afternoon referred to the fact that the bulk of the burden of this increase will fall on the business community. I think he indicated that about 70 per cent or 75 per cent of the first class mail is from business enterprises. I suggest that this group is in a much better position to absorb the increase than are those who fall within the other 25 per cent.

In discussing this matter with a friend today he indicated to me that involved in it are the old age pensioners and those on other types of pensions and that many of these people employ their time in writing letters. As members of parliament we realize that they sometimes are not aware that they can send mail to us without any postage. Many of these old age pensioners carry on a fairly voluminous correspondence. If these people in this category employ the postal department as a means of transmitting their messages, then this increase will place a considerable burden on them in view of their very limited income. Therefore I believe we should consider whether it is absolutely necessary for the Post Office Department, at least in some of these areas, to be self-sustaining.

There are one or two other matters to which I should like to refer briefly this afternoon. I understand there are certain communities in Canada which are required to pay additional transportation costs in order to obtain their mail. The mail is sent to a certain community and delivered to the closest post office. Then it is up to the residents of the community involved to pay the additional transportation cost in order to get the mail from that post office to their community. Would it not be possible and desirable to have all transportation of mail handled under a contract and not handled in some cases at the expense of the small communities which may be concerned?

Mr. Barnett: Mr. Chairman, would the hon. member permit a question? When he refers to mail going to small communities, is he referring to communities which do not have post offices?

Mr. Patterson: Apparently this is the case. The department is not prepared to establish post offices in these communities and does not make any provision at all for the transportation of mail. It would only seem proper, if there are communities where a post office is not located, that there should be a contract whereby the mail is delivered to that community.

The other matter to which I should like to refer is the department's program of closing so many of the small community post offices. I support the arguments advanced by the hon. member for Hastings-Frontenac in this connection. Even though the government or the department may say this is an economy measure and that they are trying to cut down expenses, there is the question of how much this will reduce expenditures. In addition, there is also the other matter of convenience and the fact that over quite a number of years these post offices have rendered a service to their communities. Real hardship is incurred when an announcement is made, many times without any notice whatsoever, that as of a certain date a particular post office will be closed and the people concerned will receive their mail from a post office a considerable distance away. Even though in some cases provision is made for rural delivery, I think we must consider the other services rendered by the post office in the community which will be taken away from the people in the area. I suggest, therefore, that the minister should reconsider this policy as it applies to many of these communities. I think he should recognize that these post offices have rendered, continue to render and would render in the future a service which is very acceptable and beneficial to small communities across the country.

Mr. Roxburgh: Mr. Chairman, I should like to say a few words on this matter. First of all I should like to assure the Postmaster General that I certainly support his resolution and would like to see the post office put on a

paying basis under a crown corporation. However, I wish to support the hon. member for Hastings-Frontenac and the hon. member for Hastings South in regard to small post offices located in grocery stores or elsewhere which give so much service to the people in the community. I certainly feel that the minister should not proceed too fast in this regard. I believe that they should be phased out slowly and that provision should be made so that the people in these small communities will still receive the service that is so necessary to them.

Another matter is the job of the mail carriers. As the minister knows, I have spoken to him personally on this and therefore I know his thoughts on the matter. I feel it is going to be handled properly. However, we must remember when talking about royal mail in Canada that one letter going astray can be just as important to an individual living in a rural section as it can be to the man who runs a large business in the city of Montreal or Toronto. I know of a case of one letter going astray which cost the future livelihood of a widow. I should like the minister to consider seriously this aspect of the situation.

• (5:50 p.m.)

Like all members who represent rural communities I should like the minister to give a great deal of consideration to rates in respect of weekly newspapers before making any change. I hope he does not move too fast in this direction.

Lastly, but very far from being least, the world ice hockey championship games are to be played for the first time in our history in Canada in 1970. Let me say to some of my friends, especially those in the N.D.P., that no matter what anyone says the people of this country now claim hockey to be their national game.

Mr. Cowan: Mr. Chairman, would the hon. member—

Mr. Roxburgh: I will not have any interruptions from the hon. member for York-Humber.

Mr. Cowan: I just wanted to—

Mr. Roxburgh: No, no, absolutely no. I should like to see the Postmaster General sponsor the issue of a new stamp to commemorate this event in Canada. I hope my friend at the other end will keep quiet so the Postmaster General will listen to me rather than to him, because this is a matter which should be given serious consideration. Hon. members may smile at the suggestion of issuing stamps to honour athletic events, but many great countries in Asia and Europe have issued series of athletic stamps commemorating events and athletes. Athletic endeavours are valuable not only for the preparation of our young people in the event of war but generally to keep the population in good physical shape, and athletic endeavours should be recognized. This is one opportunity the minister has in this regard.

[Mr. Roxburgh.]

Mr. More: In speaking at this time, Mr. Chairman, it is not my intention to hold up the resolution or repeat anything that has already been said or the representations made to the minister. I should like to refer to one aspect of postal rates in order that the minister will be prepared to deal with the situation and provide an explanation when we consider the bill itself. I refer to the postage rates voluntary associations must bear during fund raising campaigns.

I am sure the minister has received representations from some of the voluntary fund-raising organizations in Canada, particularly those involved in health fields, regarding the increasing cost of postage. These people are contributing to the country through their services. Over the years they have been successful in their efforts to raise the funds required to provide these services at a saving to the government of both trouble and cost. As a result of the efforts of these organizations the government's contributions in many of these fields have been negative or nil.

During recent years the increase in the amount obtained through these campaigns has not kept pace with the increased cost of providing these services. The increase in cost in recent years has been substantial, particularly in respect of postage rates. Instead of letters and receipts being sent out at a two cent rate or at the bulk rate they now have to go out at the four cent rate. This has added greatly to the overhead of these organizations. One organization with which I am familiar has found that its postal costs have increased by more than 35 per cent.

It is my belief that the Post Office Department should be run efficiently but I argue with some of those who say it must be run on a business basis in order to show a profit. The hon. member for Verdun has suggested that postal services are indispensable to the unifying of this country and keeping it together. Perhaps the subsidy required today in respect of postal services is not as great

because of the improved communications available, and the use of postal services may be less in the case of some than in earlier years when it was the only means of carrying on business. In any event there are some elements of this service which must be considered seriously, particularly in respect of certain areas where rates should be maintained.

We have heard a great deal about postal rates for mail that comes in from that great country to the south. I am sure that country has had the same problem the minister is now facing in respect of increasing costs. That country still maintains a quarter cent rate in respect of the mail campaigns of voluntary organizations. When we consider the bill itself I hope the minister will be in a position to indicate the position of the Post Office Department in this regard. If he has any doubt about the type of organizations to which I am referring let me refer to the Canadian tuberculosis association and its associates, the Easter seal organization and the council for crippled children.

The stock answer given by the department to representations made by these organizations is that it is difficult to determine which of these organizations warrants this consideration. Let me remind the minister that the regulations of the Income Tax Act require registration of these associations. Surely that eliminates any difficulty. I hope the minister will give us some explanation as to the position of the department in this regard.

The Assistant Deputy Chairman: 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 private bills, public bills.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Tardif): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Sherbrooke (Mr. Allard), Airports—Dorval, Que.—attitude toward French of certain concessionnaires; the hon. member for Halifax (Mr. McCleave), Royal Canadian Mounted Police—possible purchase of U.S. weapons for riot control; the hon. member for Jacques-Cartier-Lasalle (Mr. Rock), National Defence-Lasalle, Que.—layoffs at naval depot.

• (6:00 p.m.)

PRIVATE BILLS

COMMERCIAL SOLIDS PIPE LINE COMPANY

The house in commitee on Bill No. C-113, to incorporate Commercial Solids Pipe Line Company—Mr. Basford—Mr. Rinfret in the chair.

On clause 1—*Incorporation.*

Mr. Howard: Mr. Chairman, I thought for a moment that the hon. member for Vancouver-Burrard would tell the committee of the change which was made to the bill in the standing committee on transport and communications. That is why I hesitated in rising. Although it is a small change in terms of the number of words involved, it is a rather important one so far as the impact of the change upon the authority being sought by the company is concerned. In view of the fact that this change will not be considered by us until or unless we reach clause 6 of the bill, perhaps I should mention in passing that it relates to a restriction of the authority of the company with regard to the operation of aircraft, aerodromes, radios, communication systems, and the like. The company, therefore, does not seek a general licence to operate but rather authority to do so for the purpose of a particular undertaking. Thus we are not in the process of incorporating another nation-wide television or radio system by the change that has been made to the bill.

Yesterday during private members' hour the hon. member for Vancouver Quadra talked out a very reasonable resolution relating to old age pensions. In view of the fact that the hon. member for Vancouver Quadra also moved the second reading of the bill now before us and gave us an outline of it, perhaps we will fall into the habit which he established yesterday in dealing with items which come before us in private members' hour. It seems to me that if there is anything of value with which the house should concern itself it should have been the proposal relating to old age pensions moved yesterday by my colleague, the hon. member for Winnipeg North Centre.

The bill before us contains two important factors. One is the authority of the company for its project and plan to establish a pipe line through which it could move solid materials, and the other is the overriding factor of Canadian ownership and involvement in this and similar companies. This subject has interested parliament for some time. To underline our interest I think it is

necessary to re-emphasize the declarations made by the Prime Minister regarding his desire to see a larger degree of Canadian ownership in the exploitation of our natural resources and in the industry which transforms these natural resources into usable and consumable commodities.

It is well known that the President of the Privy Council, along with many other members of the cabinet, holds this view. It is regrettable that the whole cabinet has not come to a decision on this matter because it puts us in a rather odd position in that on the one hand the first minister of the Crown has enunciated what we took to be government policy on Canadian ownership and on the other hand there is a persistent flood of bills before the house whose sponsors have ignored the declared policy of the Prime Minister, who naturally speaks for the government.

We recall the time that the Prime Minister was asked whether he spoke for the government on particular matters or whether someone else did. The Prime Minister then made it quite clear in the house that he and only he, makes announcements on behalf of the government of Caanda. As my friend the hon. member for Mégantic said, these policy declarations are not always sound. I think we could spend a fair amount of time in the house speaking about the damaging features of some of the policy decisions made by the government. However, I do not wish to dwell on this matter but simply to emphasize that the Prime Minister himself declared that it is he who announces government policies and no one else.

One of the policies which he announced on a nation-wide television broadcast related to Canadian ownership. He said he was in favour of it and he hoped it would be possible to have a larger degree of Canadian ownership than exists at the present time. I do not think we can have a smaller degree of Canadian ownership in the oil industry than exists at present because I understand that the whole oil industry is foreign owned by people who have no direct political or emotional responsibility to Canada.

In the bill before us we are dealing with the oil industry, and in particular Shell Canada Limited. Some interesting aspects of the bill were placed on the record at an earlier stage of the proceedings when mention was made of the degree to which this company is the sponsor of the bill and the major shareholder in the company which the bill seeks to incorporate. The hon. member for Vancouver Quadra in moving second reading of the bill in the early part of June this year placed this information on the record. He pointed out that Shell Canada Limited. will be the principal shareholder of Commercial Solids Pipe Line Company. The public holds 17.5 per cent of the voting power in Shell. Its shares are traded on the stock exchanges of Canada. The remaining 82.5 per cent is held by another Canadian company called Shell Investments Limited whose head office is also located in Toronto.

In looking at this situation casually we might assume that this is a Canadian owned company because it is called Shell Investments Limited, its office is located in a major Canadian city, and 17.5 per cent of its stock is traded on the market. The fact of the matter is that Shell Investments Limited is a wholly owned subsidiary of a Netherlands company located in The Hague. The ownership of the company is divided, 60 per cent in the hands of Royal Dutch Petroleum and 40 per cent in the hands of Shell Transport and Trading Company in London, England. We often find involved foreign ownership when one company is owned by another which in turn will be owned by a foreign company or a couple of other companies. The final, effective ownership of any particular company, in my opinion, must always be traced back to the company which in fact controls and operates that particular company.

• (6:10 p.m.)

In this instance we find that Commercial Solids Pipe Line Company is in fact, in the final analysis, going to be controlled by a couple of companies, one in The Hague and the other in London, England. So far as I have been able to ascertain, there has been no indication of a desire to divest the foreign ownership structure of this enterprise.

Mr. Basford: I wonder whether the hon. member would permit a question?

Mr. Howard: Gladly.

Mr. Basford: I am not sure whether the hon. member has had an opportunity to read the transcript of the proceedings of the committee on transport and communications for Thursday, November 23. This is quite understandable because it only became available this morning. When the bill was before that committee, it was made very clear that it was the intention of the company to make shares in the pipe line company available to other

producers in southern Alberta and to members of the public. This intention was documented before the standing committee on transport and communications.

Mr. Howard: As the hon. member for Vancouver-Burrard said, I did not have a chance to read the minutes of the proceedings before the committee. My colleagues, the hon. member for Comox-Alberni and the hon. member for Timiskaming, are deeply involved in that project at the moment and undoubtedly will have an opportunity to deal with the proposition put forward in the question by the hon. member for Vancouver-Burrard. If the hon. member is saying that this will be a Canadian owned company, then that puts an entirely different light on the situation. In that event perhaps I should curtail my remarks at this juncture. However, I rather suspect, not having heard anything to the contrary, that even though there may be an offer of shares to other producers in Alberta or to the general public, the ownership of the company will still rest in the hands of Royal Dutch and the company in England, Shell Transport and Trading Company. If I am incorrect in that assumption, perhaps the hon. member for Vancouver-Burrard could, by way of another question, correct my impression. Then I could leave the matter there. Not having heard anything to the contrary I must proceed on the assumption that even though shares may be held by Canadians, effective control will still rest in the hands of someone else because, as we all know, in any corporate structure the important fact is not that you own a share or two but how many shares you hold.

I have had an opportunity of reading the first page or two of the minutes of proceedings of the committee, but I did not have an opportunity of gaining the information that was given to the committee and put forward by the hon. member for Vancouver-Burrard. However, some interesting information was provided by a Mr. Ritchie, who is vice president of the transport end of Shell Canada. I take it this is the same Robert Pierce Ritchie mentioned in clause 1 of the bill as one of the shareholders and promoters of this company. He pointed out that this was an important new venture in the field of transportation by pipe line. At the outset of his remarks he said, as reported on page 287 of the committee evidence:

> The pipelining of solids is not a new concept. During the last 50 years short pipe lines have successfully been put into operation in England and the United States for the carriage of coal and salt. More recently there have been built a 72-mile gilsonite in the United States and a 50-mile iron ore line in Tasmania. The application for the bill before you, however, represents a major advance in that the applicants contemplate construction in Canada of pipe lines many hundreds of miles in length transporting solids that have never before been moved by pipe line.

Apart from the fact that we may be embarking upon a new form of transportation which in total length surpasses what has been developed in other countries, the fact is that if the pipe line is to transport solids that have never before been moved by pipe line the assumption must be that the solids they contemplate moving have up until this time been moved by some other form of transportation. This brings us to the nub of the question of transportation policy. We know that when the massive omnibus transport bill went through parliament a while ago it was supposed to reflect a very deliberate, conscious, thought-out policy on transport following upon the heels of royal commission and interdepartmental studies of modes of transport.

I do not hold any particular brief for the maintenance of our railways but they have provided a tremendous service to some areas of the nation and have contributed tremendously to the tying together of different parts of Canada. It would seem to me that the other form of transportation which has been used to transport the solids they contemplate moving by this pipe line probably is the railways since railways can carry items in bulk quantities. It may be that truck transport or airlift from Calgary to Vancouver or some other form of transport is used. I do not believe that in this context this is really putting another form of transport into the picture in addition to those we already have. It may be that the development of the concept of moving bulk materials by pipe line which are now being moved by other forms of transport is on the increase. If so, it will undoubtedly detract from the possibility of these commodities being shipped by railway or by some other form of transport.

• (6:20 p.m.)

My concern is about the total contribution that this may make to the well-being of the people of Canada. We all know that the Minister of Finance is supposed to have been working very hard on this during the last little while and that the greater the injection of money into certain areas of the country the greater the contribution to inflation and, if there is a duplication of services in this case,

to a potentially uneconomic situation in one or other of the forms of transport. I reiterate that I hold no particular brief for the railroads as the only means to transport commodities, but the railways may find they will have to alter their concept of transportation in order to meet this new venture which undoubtedly will confront them, whether or not this bill passes at this time.

This brings me to another extremely important aspect—

The Deputy Chairman: Order. I regret I must interrupt the hon. member but the time allotted for his speech has expired.

Mr. Barnett: Mr. Chairman, by some coincidence, just at the point where the hon. member for Vancouver-Burrard asked a question of the hon. member for Skeena—I might digress to point out that at one point in the history of our province the area which now comprises the constituency of Skeena was within the area now represented by the city of Vancouver, though that was a long time ago—I was reviewing the proceedings before the committee on transport and communications where the very point raised by the hon. member for Vancouver-Burrard was dealt with.

I might say that as far as I can ascertain there is nothing in the evidence before the committee to indicate that there was anything in any way incorrect in the remarks of the hon. member for Skeena who was dealing, as I understood it, with the question of the basic ownership of the Shell oil interests in Canada and indicating that the control of those interests lies beyond the boundaries of Canada. He was not directly raising the question of the share ownership of this company except to the extent that he was indicating that this company was being sponsored by and presumably would be controlled by the Shell oil interests in this country, and therefore indirectly controlled by interests outside this country.

I have been giving serious attention to the evidence of Mr. Ritchie before the committee. He acted as their chief spokesman and is vice president, transportation, of Shell Canada Limited. As far as I am concerned the statement of Mr. Ritchie and his replies to various questions merely confirm for me the situation which someone suggested was probably the case when we dealt with the bill at the second reading stage. In the first instance, if we were to pass the bill we would be creating a company basically

foreign owned and controlled and, second, we would be perpetuating a situation which has existed in the past in the case of many oil and gas pipe line companies incorporated by acts of this parliament whereby large foreign interests maintain effective control. So far as share ownership in Canada is concerned, this would simply be a matter of throwing out a few crumbs so that a few Canadians might feel they had an interest by virtue of holding a scattered and small percentage of the share capital of these companies.

As reported on page 289 of the minutes of proceedings and evidence for Thursday, November 23 last, Mr. Ritchie said:

> Prior to construction of the pipeline facilities ownership shares will be offered to other sulphur producers in Alberta as well as the public. Following start-up and proven success, a further public offering of shares to Canadians will be made by the owner-producers.

Prior to making those remarks Mr. Ritchie had pointed out that the estimated cost of the line is $60 million. He stated that while research is under way the Shell oil company is bearing the full financial burden of this phase. So I think it is very evident that the situation as outlined by the hon. member for Skeena is a correct analysis.

As reported on page 292 of the evidence, in answer to a question by the hon. member for Notre-Dame-de-Grâce Mr. Ritchie said:

> As we envisage Commercial Solids Pipe Line Company, it would be owned by a number of shareholders, including the public. However the producers would all want a share interest in it, and once they had that, I would think they would continue to support it.

This question relates generally to a pipe line operating as a transport concern which is affected by potential competition by the railways.

As reported on page 295 of the committee's proceedings, the hon. member for Kindersley asked this question:

> I am interested too in what you said about the shares being offered to the public. Would you care to give us an opinion as to how soon, if you get the pipe line into operation, these shares would be offered, and perhaps what percentage of capitalization might then be offered to the public?

Mr. Ritchie replied:

> You are asking two questions. Relating to the first one, we would envisage that there would be some shares offered to the public at the inception. We try to spell this out in that very short statement. This is a new project. We feel that it would not necessarily be in the public interest to have a large share in the hands of the public at the inception. As soon as the project is operating and

there is no question as to its success and the statement is made, we would have an offering and expect that there would be additional shares offered to the public.

Once you have the public in a facility, even though it is a very small percentage of the public, you have to operate the facility in the public interest and not in the interest of the producers. So really the total number of shareholders I do not think really makes that much difference in the way the facility would be operated.

• (6:30 p.m.)

That leads us back to a point which was raised previously in this house on a number of occasions with respect to the operation of pipe line companies. In sponsoring this pipe line company, Shell wishes to perpetuate a situation that has existed in Canada with respect to the transmission by pipe line of gas and oil. It boils down to this: The major producers such as Shell, Imperial or B.A. maintain effective control and management of pipe line companies and retain the bulk of the shares. While a small percentage of shares is made available to the Canadian public, allegations that pipe lines, such as the one proposed in this bill, operate in the public interest are highly debatable, to say the least.

Mr. Ritchie's statement did nothing to allay my fears. Rather, it confirmed my suspicion that the proposition which was being put before us would perpetuate the intolerable situation in the pipe line transportation field. Some may argue that we have gone too far with respect to transmission by pipe line to turn back now, but I am not prepared to admit that that is so. In other words, I think we are now entering a new phase of transportation by pipe line. This is an opportune time for parliament to examine again the entire question of pipe line transportation. In this field we need not perpetuate the mistakes we have made in the past. I refer particularly to those mistakes we have made since the end of world war II and to the manner in which we allowed pipe line transmission systems for gas and oil to develop.

The hon. member for Jacques-Cartier-Lasalle, who was one of the committee members, asked Mr. Ritchie about Shell's interest, generally, in pipe lines. The answer confirms what I have said. Shell seeks to perpetuate a situation that exists with respect to the transmission of oil and gas by pipe line.

On page 303 of the committee proceedings the following is found:

Mr. Rock: ... how many pipe line companies is Shell, directly or indirectly, financially involved in at present?

Mr. Ritchie: I am not sure that I can tell you.

The Chairman: Mr. Rock, are you thinking of oil pipe lines or ...

Mr. Rock: Mr. Chairman, I am leading to something that is very important.

The Chairman: I am asking: is it oil pipe lines or commodity pipe lines?

Mr. Rock: All kinds of pipe lines.

Mr. Ritchie: Well, there are no commodity pipe lines in Canada.

The Chairman: No, it is oil.

Mr. Ritchie: As far as oil pipe lines are concerned, let me see; ...

He is trying to recall, obviously. Apparently there are so many. He says:

...I cannot name them all, sir. But there are Trans Mountain, Inter-Provincial, Portland Montreal, Trans Northern, Sun Canadian, Peace River, Westpur Producers ...

Mr. Rock: So there are quite a few of them, then. This is what I want to know. How many of these run to the west coast at the moment?

The hon. member discovers that Trans Mountain pipe lines only run to the west coast and could transport sulphur, the commodity which is of immediate concern to Shell. Mr. Ritchie says that Trans Mountain pipe lines will require some modification, and he does not think they would be as economical as a separate system.

Clearly, the applicants before the house have detailed a situation which is designed to perpetuate something that has become intolerable in the field of transportation of oil and gas by pipe line in this country. I am prepared to argue that the kind of development being sought here has not been and will not be in the interest of Canada; it will not enable Canadians to enjoy fully the benefits of the natural wealth which is being drawn from the soil of their country, that country of which we like to call ourselves citizens.

Having said that, I wish to emphasize that I do not underestimate the importance of the proposal to move solids through a pipe line. Though I have no detailed knowledge of the matter, from my limited reading I have become convinced that there is an enormous potential for such a development. As we move into the field of transporting solids by pipe line, I want this country to start off on the right foot with respect to the development of new techniques.

Mr. Ritchie said to the committee that the Shell Company of Canada had been engaged in research with respect to the techniques of transportation of sulphur in slurry form. He referred to work that was done by the Alberta Research Council with respect to techniques of transporting solids in capsule form

through pipe lines. As reported on page 280, Mr. Ritchie says:

> We are convinced that slurry and capsule pipelining will each take its appropriate place in this country's future transportation system. The distinct difference between the two concepts will undoubtedly dictate the circumstances in which each may be appropriately employed.

• (6:40 p.m.)

This statement confirms what one has read elsewhere about the breakthrough which may come about in this field of transportation.

I was interested to note that the usual points were made in letters from the Minister of Transport and from the parliamentary agent about the jurisdiction of the National Transportation Commission and the National Energy Board. We are told that what we are considering now is nothing more than an application to parliament to incorporate a company; the bill does not confer upon the company any right to construct a pipe line. This has been advanced in the past as being good and sufficient reason for passing the bill and incorporating the company, leaving the transportation commission and the energy board to deal with the details. It is pointed out to us at some length that the energy board must give consideration to a number of factors when deciding whether or not—

The Deputy Chairman: I am sorry to interrupt the hon. member but the time allotted to his speech has expired.

Mr. Peters: This is a bill in which I have had a great interest for some time. I would have thought the government itself would have paid some attention to it. Indeed, I was surprised to learn, when I received the report, that none of the government departments which would normally be concerned with the subject of this measure was represented before the committee. I was surprised that the Department of Transport did not suggest that the Canadian National Railways should intervene in this application. I would have thought that several other government agencies would have been interested in attending, not necessarily to oppose the bill but to bring out the relationship which this company could have with other agencies in the transportation field.

I was interested in the way in which the chairman introduced the statement of the Minister of Transport. Rather than ask that the minister be present, he read a letter from the minister. I was surprised at the statement made by the minister to the effect that while this proposed pipe line would come under the new transportation legislation, part II of that legislation had not yet been proclaimed. And he gave no indication of when part II relating to pipe lines would be put into effect.

I had been of the opinion that the whole of the legislation would have been proclaimed by the governor in council at the same time. I understand now that it is likely that this matter will be dealt with within a few months. In the meantime I presume the present application is having some effect on the date of proclamation. The operation referred to in the bill before us should, I believe, be classed as a commodity pipe line, thereby bringing it into the transportation field.

I noticed on reading the annual report of the National Energy Board that it is very pleased with the growth of Canadian oil production. Since the late 'fifties the production level has about doubled. The statement goes on to say that Canada's petroleum resources have been extended even more rapidly, a development which poses an urgent need for further expansion of markets for Canadian oil. As we are well aware, Shell Oil is interested in this type of pipe line operation because of the problem created by the large residue of sulphur left after oil refining. Sulphur is a commodity which is rather difficult to transport. As the committee report indicates, the transportation cost to the railway is $10 plus an additional $2 in handling charges. The company is of the opinion that transporting the sulphur by means of a slurry operation in an oil carrier would reduce the cost of transportation considerably below that level.

There is an indication that 5,000 cars of sulphur need to be transported. Since I am not in a position to know the total transportation costs involved, I am not able to determine whether or not they constitute an important factor in the operation of the railway as far as revenue is concerned. But in establishing the transportation commission the government obviously took the view that all the transportation facilities in Canada should be united under the control of one commissioner, so as to improve transportation for the Canadian people and reduce costs to producers and consumers.

The bill before us might have been modified in a number of instances. I should not comment unfairly on some of the remarks which were made in the committee, though I think the chairman did a very good job of running interference against some of his colleagues who were concerned about this

matter, as well as about some other questions which were in my mind when this bill first came before parliament. I do not blame the Shell Oil Company or Mr. Ritchie or the other lawyers who were involved, because the bill was written before the transportation legislation setting up the transportation commission was put into force. But I believe everyone will agree that since the operations envisaged here do not come under the National Energy Board there are clauses which require modification. Clause 6 is very like so many other clauses which are written into bills by lawyers who take the view that it is worth including another hundred words, just in case a certain situation, unlikely as it might be, should somehow arise. The explanations given by Mr. Ritchie, on the other hand, indicate that the proposition the company has in mind is an extremely straightforward one mainly concerned with the transmission of sulphur in a carrier.

• (6:50 p.m.)

Mr. Ritchie also said that there would be difficulties in adding the sulphur in large enough quantities to be carried by oil, and that there would be difficulties in providing refinery facilities to remove from the oil slurry the full amount of sulphur that had been placed in it. However, these are not insurmountable difficulties. Varying from well to well there are degrees of concentration of sulphur, but certainly the degree of sulphur in the slurry carried by this pipe line will be quite large.

He also indicated that the company was not interested in establishing telephone lines, television facilities or in having a communications system. They were not interested in applying to the Board of Broadcast Governors for maintenance of their communication facility because they did not intend to go beyond the provisions of the Radio Act to cover their communications system.

Under clause 6 the company asks for the right to construct, purchase, lease or otherwise acquire, hold, develop, operate, maintain, control, lease, mortgage, hypothecate, create liens or other security, sell, convey, and dispose of pipe lines. But then it goes on to refer to the gathering, processing, refining, treating, transmitting, transporting, storing and delivering of solids, liquids and gases. I think the sponsor of the bill would agree that, in a number of bills preceding this one such a clause has got out of hand. In previous bills the requests of companies were fairly straightforward and simple, but now lawyers are presenting this type of model legislation to their clients, and I believe its provisions should be reduced to the actual requirements needed.

It seems to me that companies which are applying under the National Energy Board will have totally different requirements because of their need to explore, to build new communities, to go into certain areas to prospect and search for gas, oil, and other minerals, and these requirements are certainly not necessary under the Transport Act as it applies to a commodity pipe line.

This commodity pipe line will be a transportation facility. The commodities transported may be in a solid form in capsules, or they may be in a slurry form. Either way, it is transportation from one point to another, and as developments take place there may be drop-off points along the way. If we, as members of parliament, are to be asked to endorse this type of clause, detailing all these powers which are not needed, it would be wise to hold this bill up until the company has the opportunity to take the bill out of the pipe line part of our legislation and put it into the transportation section, as covered by part II of the Transport Act.

Several members of the committee asked questions about this matter. Mr. Ritchie's replies were fair and clear. He said they were not asking for this type of clause, and were simply making a straightforward proposition. A question which arises in my mind, and which I am sure arose in the minds of some of the committee members, concerns the reason behind the proclamation of that part of the Transport Act which applies to commodity transportation by pipe lines. It has not yet been proclaimed.

Had he been present at the committee meeting I am sure the Minister of Transport would have been asked the reason. He escaped having to give an answer by pleading that he had an important cabinet meeting to attend. I am sure all cabinet meetings are important these days, and if I were in charge I would have cabinet meetings every day because of the present pace of developments. If the minister's excuse was true, and I do not argue that it was not, then he should have sent his deputy minister, who is probably more familiar with the department than he himself, to attend the committee meeting. Certainly the deputy minister of that department is a very capable person well versed in all its operations, and he probably would have been able to say why that section of that act was not proclaimed.

My interest in this bill was met to some extent by the passing of the Transport Act, under which commodity pipe lines are considered to be a means of transportation to be regulated by an agency other than the National Energy Board. But the fact that that part of the act has not been proclaimed makes me wonder whether the government is playing namby-pamby with this company, or is playing around with members of parliament.

Mr. Basford: If I may reply to the hon. member about the proclamation of part II of the act, I wish to point out that in a letter to the committee the minister made it clear that it would be proclaimed soon. I have since discussed this with the minister, and I am authorized to say that part II will be proclaimed as soon as there is a need for it, as soon as someone starts arrangements to build a pipe line, in order to make sure that the pipe line is regulated by part II.

Mr. Peters: I am quite pleased to know that this is the case, but I still do not know why it was not proclaimed along with the rest of the act. This bill has been on the order paper for two years, and it is the reason that that section was written into the Transport Act. This was the first time anybody thought of building a commodity pipe line in Canada, and so there was need for legislation to cover it. Obviously the reason for that part being placed in the Transport Act was the application made by Shell for this pipe line. The point I am trying to make is that this application was made under the old legislation, and we do not want this type of window dressing in the new bills which will follow the Transport Act.

I am quite prepared to say that the transportation bills passed in years gone by cover everything that is in this bill. I am sure the railways have the right to do everything that is suggested here, but I think many hon. members agree that a lot of this should be cleaned up. We are interested in eliminating window dressing. Companies themselves do not want it, but it seems lawyers insist on putting this in bills.

I am pleased that Shell has been interested in this application. I know that success in the moving of sulphur is going to mean success in the moving of iron, and possibly of wheat and a number of other commodities.

The Deputy Chairman: The hour appointed for the consideration of private members business has expired.

Progress reported.

[Mr. Peters.]

The Acting Speaker (Mr. Rinfret): The house will now resume the business that was interrupted at six o'clock.

POST OFFICE ACT

AMENDMENTS TO PROVIDE FOR INCREASES IN POSTAL RATES, ETC.

The house resumed consideration in committee of the following resolution—Mr. Côté (Longueuil)—Mr. Rinfret in the chair:

That it is expedient to introduce a measure to amend the Post Office Act to increase by one cent the postage rates for letters posted in Canada for delivery in Canada; to provide an amended rate structure for newspapers and periodicals; and to provide further for certain changes in connection with the administration of the act, more especially in relation to tenders and contracts.

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

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order. House again in committee of the whole on a certain proposed legislation to amend the Post Office Act.

Shall the resolution carry?

Mr. Knowles: No.

Some hon. Members: Carried.

Mr. Starr: Call the vote, Mr. Chairman.

The Chairman: Those in favour of the resolution please rise.

[*Translation*]

Mr. Côté (Longueuil): Mr. Chairman—

[*English*]

Mr. Starr: The vote has been called.

Motion (Mr. Côté, Longueuil) negatived: Yeas, 11; nays, 14.

The Chairman: I declare the motion lost, and I do now leave the chair.

EMERGENCY GOLD MINING ASSISTANCE ACT

PROVISION OF EXTENSION OF APPLICATION

The house resumed from Friday, November 24, consideration of the motion of Mr. Pepin for the second reading of Bill No.

C-155, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to, bill read the second time, considered in committee and reported.

• (8:10 p.m.)

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

Mr. Starr: By leave, now.

Mr. Pennell (for Mr. Pepin) moved the third reading of the bill.

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

TRANSPORT

PROVISION FOR REGULATION OF SUSPENSION LINE DEVICES

Hon. L. T. Pennell (for the Minister of Transport) moved the second reading of Bill S-7, respecting interprovincial and international teleferries.

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

On clause 2—*Definitions.*

Mr. Knowles: Mr. Chairman, would the minister who is sponsoring this bill give us an explanation?

Mr. Byrne: Mr. Chairman—

Mr. Knowles: You mean when we defeat the government we get him?

Some hon. Members: Oh, oh.

Mr. Byrne: The hon. member will have to be satisfied with what he gets.

Mr. Starr: Don't take up too much time; we want to get some business done.

Mr. Byrne: The bill is self-explanatory, and if hon. members are prepared to leave it at that, we would be glad to do so.

Clause agreed to.

Clauses 3 to 14 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

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

Mr. Starr: By leave, now.

Mr. Pennell (for Mr. Hellyer) moved the third reading of the bill.

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

GOVERNMENT EMPLOYEES COMPENSATION ACT

AMENDMENTS RESPECTING EXTENSION OF COVERAGE

Hon. J. R. Nicholson (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Government Employees Compensation Act to provide coverage under the act to employees and prospective employees on training courses and to extend the coverage provided under the act to certain employees located outside Canada.

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

Mr. Starr: Carried.

Mr. Nicholson: Mr. Chairman—

Mr. Starr: By golly, we can't carry anything.

Mr. Nicholson: Mr. Chairman, I think most hon. members know the purpose of this measure. Its purpose is to make sure that federal government employees in all parts of Canada and elsewhere are covered by this legislation, the Government Employees Compensation Act.

This act really is the counterpart of the workmen's compensation acts of the different provinces. In the Northwest Territories and the Yukon government employees are covered by arrangements with the provinces of Alberta and British Columbia under their workmen's compensation acts. Certain situations have arisen as a result of comprehensive new programs introduced by the present government. Among others I might mention retraining programs under way in technical schools.

The purpose of this bill is to extend coverage so as to cover not only federal employees, but federal employees who cease work to take training or retraining courses. The second part of the bill relates to employees in our foreign services, employees of the Department of External Affairs, of the Department of Trade and Commerce and latterly the Department of Labour. The Department of Labour now has a number of employees posted to several key places outside Canada.

It should be pointed out that when these federal government employees go to countries in Asia and Africa they are subject to certain tropical diseases, unless they have built up an immunity. I can speak from experience, having incurred an occupational hazard during the first year that I lived in Brazil. I will not say that this has had a serious effect on security for the foreign service but it has had some effect, and it is also unfair that our civil servants who happen to be serving in the areas I have mentioned, particularly in some of the developing nations in Africa and Asia, should not be covered by the Government Employees Compensation Act.

• (8:20 p.m.)

These are the two objectives of the bill, and that is all I have to say at the resolution stage.

The Chairman: Shall the resolution carry?

Mr. Herridge: Mr. Chairman, I certainly agree with the principle of this measure, which extends the coverage to the persons suggested in the resolution; but I have one question to ask of the minister. Is it the intention of the government to charge income tax to those who receive compensation in the public service of Canada?

Mr. Nicholson: I am sorry that the Minister of National Revenue and President of the Treasury Board is not here. I cannot answer the hon. member's question. I can deal with what we do in the field of compensation, but I will not attempt to answer that particular question. I shall refer it to the President of the Treasury Board.

The Chairman: Shall the resolution carry?

Some hon. Members: Agreed.

Resolution reported and concurred in.

Mr. Nicholson thereupon moved for leave to introduce Bill No. C-184, to amend the Government Employees Compensation Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time? At the next sitting of the house?

Some hon. Members: Agreed.

Mr. Starr: Mr. Speaker, earlier today I spoke to the government house leader and asked him whether item No. 29 on the order paper regarding the C.N.R. financing bill could be held over for a short time. He agreed with me. I would ask then that in lieu of that item we deal with item No. 39, the Judges Act.

Mr. MacEachen: Mr. Speaker, I should like to call item No. 29. The Minister of Finance will be coming to the house shortly. There has been an unexpectedly speedy passage of the previous items, but he is now coming from his office.

Mr. Starr: I asked the government house leader whether item No. 29 could be held over, and that we go on to item No. 39 instead. I spoke to him about this earlier today and he said he would hold it over.

Mr. MacEachen: I suggest we call item No. 40, and come back to the other items if it is passed speedily.

Mr. Deputy Speaker: Order, please. Is it agreed that item No. 40 be called?

Some hon. Members: Agreed.

FINANCE

REFERENCE TO COMMITTEE OF REGULATIONS RESPECTING INTEREST DISCLOSURE

Hon. Allan J. MacEachen (for the Minister of Finance) moved:

That the regulations made pursuant to section 92 of the Bank Act and section 80 of the Quebec Savings Bank Act, tabled on October 12th, 1967, be referred to the standing committee on finance, trade and economic affairs.

Mr. Herbert E. Gray (Essex West): Mr. Speaker—

Mr. Starr: This is a filibuster. We are agreed to pass the resolution.

Mr. Gray: —the house might be interested in having a word of explanation on the resolution.

Mr. Starr: We will get it in committee. This is an obstruction.

Mr. Gray: It may be recalled that at the request of various members of the house, in particular the hon. member for Edmonton West (Mr. Lambert), the Minister of Finance undertook to introduce a motion which would permit reference to the finance committee of the house of the regulations made pursuant to the new Bank Act, setting forth the method by which the required banks have to disclose the rates of interest on various forms of loans. This was requested by various members of the house including, as I

said, the hon. member for Edmonton West and other members from various parties including members on this side. I believe it was felt desirable that those who were concerned with these regulations should be able to express views on the way they were operating, whether they were carrying out the intent of parliament as reflected in the clause under which they were issued, whether changes should be made, and whether it would be advisable to make modifications in them of one sort or another.

It is for this reason the request was made that the Minister of Finance permit these regulations to be referred to the finance committee. This is the purpose of the resolution and I hope it will meet the support of the house.

Motion agreed to.

Mr. Starr: Mr. Speaker, can we now proceed to item No. 39, in view of the fact that the Minister of Justice has arrived?

Mr. MacEachen: Yes, Mr. Speaker, and I hope we will pass it quickly and thus be able to deal with the C.N.R. financing bill this evening, and also perhaps the bill on capital punishment, now that members of the opposition are in the right mood.

Mr. Speaker: Is it agreed that the house now proceed to item No. 39?

Some hon. Members: Agreed.

• (8:30 p.m.)

JUDGES ACT

AMENDMENTS INCREASING NUMBERS OF SUPREME AND COUNTY COURT JUDGES

Hon. P.-E. Trudeau (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 Superior Court of Quebec; two additional judges of the Supreme Court of British Columbia; one additional judge of the Supreme Court of Alberta, and three additional judges of the county and district courts of Ontario.

Motion agreed to and the house went into committee, Mr. Asselin (Richmond-Wolfe) in the chair.

The Acting Chairman (Mr. Asselin, Richmond-Wolfe): Shall I report the resolution?

Some hon. Members: Agreed.

Resolution reported and concurred in.

27053—304

Judges Act

Mr. Trudeau thereupon moved for leave to introduce Bill No. C-185, to amend the Judges Act.

Motion agreed to and bill read the first time.

Mr. Bell (Carleton): Are copies of the bill available?

Mr. Starr: Are there sufficient copies of the bill available to distribute to members?

Mr. Trudeau: Yes.

Mr. Starr: Will they be distributed first before we discuss the bill?

Mr. Speaker: Order, please. I am advised by the table that copies of the bill are available from the law branch. It will take a few minutes before they are ready. Perhaps the house will wait patiently.

Mr. Bell (Carleton): Perhaps in these few minutes we could proceed with other business and pass the bill later when we have had a chance to see it.

Mr. Speaker: When shall the said bill be read a second time? Later this day or at the next sitting of the house as the case may be?

Some hon. Membrs: Now, now.

An hon. Member: First let us have the bill.

Mr. Starr: No, I think we should see the bill before we pass it.

Mr. Trudeau: Perhaps, Mr. Speaker, while the bill is being brought down I could make a brief explanation. This is the type of bill with which hon. members are familiar, since many such bills have been passed over the years.

Mr. Speaker: Order, please. The minister is assuming we are now on second reading. However, I gather the opposition would like an opportunity to look at the bill to ascertain whether or not they will agree to have second reading at this time. May I suggest to hon. members that it might be better to go on to the next item, and when the bill is here, then we could proceed with second reading. I think this would be more orderly procedure. When shall the bill be read a second time; later this day?

Some hon. Members: Agreed.

Mr. Speaker: Will someone on behalf of the government indicate what the next order of business will be?

Mr. Pennell: Item 29.

C.N.R. Financing and Guarantee Bill

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed from Friday, November 24, consideration in committee of Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for a period from the 1st day of January, 1967 to the 30th day of June, 1968 and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company—Mr. Chrétien (for the Minister of Finance)—Mr. Batten in the chair.

The Chairman: When the committee rose on Friday, November 24, clause 3 of the bill was under consideration.

On clause 3—*Capital expenditures authorized for 1967.*

[*Translation*]

Mr. Laprise: Mr. Chairman, I would have liked to make some remarks and put a few questions to the minister about clause 3 of Bill No. C-151.

In the absence of the Minister of Transport (Mr. Hellyer)—I do not see him in his seat at present—I think it would be appropriate, especially after what happened in early November, to ask ourselves a few questions about the future of the C.N.R. It will be recalled that on November 1, practically without warning, the C.N.R. decided to lay off a great number of employees, most of whom were taken completely unawares. The reason given then was that those lay-ofls were mainly due to a decrease in railway traffic.

Mr. Chairman, I do not know exactly what the situation is in other areas of the country, but so far as northwestern Quebec is concerned, when 127 section-men are laid off in a rather small area compared to the full railway network we tend to wonder what the C.N.R. is up to; we also wonder if this crown corporation did not give this reason to lay off its employees simply to get around a clause in the contract negotiated with the union representing the section-men.

So, Mr. Chairman, when we realize what is happening—and I am speaking mostly of northwestern Quebec—it does not seem that railroad traffic is falling off when new industries are being set up.

Recently, a paper and pulp mill started operations. I am sure that when a mill such as this one, which represents outlays of over $75 million, starts producing and shipping products there is an increase in shipments by rail, and not a decrease. In the mining industry for instance, shipments between various points are as high now as they were last summer or last year.

Consequently, Mr. Chairman, people wonder. I have here letters from presidents of railroad unions, from railroaders, who are alarmed, and rightly so, at this massive lay-off which has spread confusion and chaos amongst the employees. I feel that the Canadian National should at least have notified its employees a few weeks ahead of time; it might have spared them considerable losses in time and money.

• (8:40 p.m.)

I should like at this stage to put on the official record the following letter, which I received from president of local 399 of the Brotherhood of Railway Trainmen, Mr. Leonard Gilbert; I quote:

> Dear sir:
>
> Following our interview in your La Sarre office, I would ask you to find out whether the C.N.R. lay-offs which took place on November 1, on only 3 or 4 days' notice, were intended to annoy the employees, or whether, after calculating approximately the loss in time involved, the C.N.R. decided that it would save the same amount of money by not paying the salaries of the workers.
>
> If we had only had 2 weeks' notice, the loss in time could have been reduced to a maximum of 1 or 2 days. Had Quebec been chosen as the centre for these operations, everyone would have known where to go according to seniority, before the date scheduled for these lay-offs, whereas, since no notice was given, some workers were moved two or three times, and time was lost between each move.

That, Mr. Chairman, is the problem raised by such a lay-off without notice. As these employees are entitled to seniority, vacancies in the maintenance sections of the track were filled by other employees, while the employees laid off, not knowing exactly where to go, had to move two or three times, and had to suffer loss of time and money each time. However the Canadian National may have succeeded in saving a few dollars.

Because of that situation, I think that the president of local 399 is justified in complaining and in insisting that, in the future, if a lay-off is necessary, notice should be given long enough in advance so that the employees transfer centre has enough time to inform those who have to change job, so that they can do so without losing too much time.

I also have a letter from Mr. Louis Boudreau, president of local 328 in Senneterre, which is just as hard on the C.N.R. I will

quote part of that letter, which is self-explanatory.

Mr. Minister:

This is to protest vigorously against the lay-offs which took place on November 1 on the C.N.R. line, particularly in our province and in our region.

Those lay-offs go against the election promises and the alleged government policy to create new jobs.

Not to mince words another axe will fall shortly, possibly on January 1, 1968, according to information given to our union representatives in Ottawa.

Is it a gift from Expo? Here in Senneterre, the yard has just been extended at a cost of $750,000, but we have received the following letter announcing the abolition of 127 section-men's positions: "We regret to advise you that as a result of a general decline of traffic, the following positions will be abolished as of November 1, 1967, circular, file No. 4405 G-3.

As a matter of fact, Mr. Chairman, an amount of at least $750,000 has just been invested in the extension of the yard of Senneterre, in order to meet the increased traffic in that area. Therefore, I wonder why 127 employees are summarily dismissed in that district alone.

And when you travel from Montreal or Quebec to Cochrane, especially in winter you can barely stay on your seat or remain in one place. Well if the maintenance crews are removed, how are the trains going to operate next winter and thereafter?

Moreover, I think that as far as the Canadian National is concerned, positions should be revised and it should be clearly stated where traffic has decreased. Also, to be safety-conscious, we should keep enough manpower to maintain the tracks and avoid any danger of trains going off the tracks, especially passenger trains.

Mr. Chairman, under section 3, we are asked to authorize the following:

(1) The National System is authorized,

(a) to make capital expenditures not exceeding in the aggregate $264,800,000 in the calendar year 1967...

But here is what we see in the estimated requirements:

Estimated requirements in the calendar year 1967:

Road property...

Mr. Chairman, I should like somebody to explain to us what this item means. Road property for an amount of $79,701,000.

I should like also to be told—tonight if possible—to what purpose the item "Equipment, $85,304,000", which we are asked to vote, will be used.

For example, I am thinking of the new train soon to be put into service called the Turbo train, which will soon run between Montreal and Toronto. I should like to know how much this train cost and whether it was also necessary to improve the track on which it will run between Montreal and Toronto. How much did these improvements cost?

We are told that this is a wonderful train which will run at speeds never yet attained, but it seems to me that if it is to run at over 100 miles an hour, we will need a better track than that which exists in some areas.

Well, I hope these questions will be answered tonight, that the scope of clause 3 of Bill No. C-151 will be made clear, and if the C.N.R. intends, for some reason, to lay off more people, they will at least be decent enough to let their employees know ahead of time, so that they may be prepared accordingly.

Recently, in Rouyn, I attended a meeting of the United Steelworkers Union who are interested in the future of miners working on the refining and the extraction of metals from the mines. The officials of that union are organizing a mining fund in order to prevent the closing down of some mines.

Now, because mining companies are required to advise their employees, even years ahead of time, of the closing down of a mine, I feel that in the field of transport, the Crown corporation, that is the Canadian National, should also notify its employees ahead of time of any lay-offs to enable them to find work elsewhere. And so, if they have to move, they will not be forced to do so two, three or four times, at a considerable loss of time and money. These are drawbacks which, to my mind, should be avoided.

• (8:50 p.m.)

[*English*]

Clause agreed to.

On clause 4—*Issue of Securities.*

Mr. Deachman: Mr. Chairman, I have some comments to make on clause 3. An item appears on page 2 of the bill in the amount of—

The Chairman: Order, please. I must advise the hon. member that the committee is considering clause 4, clause 3 having been carried.

Mr. Forrestall: Mr. Chairman, the hon. member for Saint John-Albert on previous occasions raised one or two matters with

respect to this bill that demand some explanation on the part of the government. Those matters have to do with the desire of the opposition to separate the accounting procedures with respect to Air Canada from those with respect to the Canadian National. Failure to separate accounting procedures lies at the root of many problems that we are experiencing from year to year. As the amount of money that is involved in funding with respect to Air Canada and the C.N.R. grows, so grows the responsibility of the government for greater and more detailed disclosure of accounting procedures. I say that, because the Canadian people ought to have some idea of what is happening to their money.

I wish it to be understood that until the matter I have raised is rectified, members of parliament who represent constituencies in the Atlantic provinces will not be satisfied that all is well with the accounting procedures of the C.N.R. I say this because of the serious situation that has recently arisen in Atlantic Canada. Matters dealing with accounting procedures which have come before the house on numerous occasions have not received adequate consideration in the house. I am talking about disclosure of revenues, costs, financing and so on with respect to the C.N.R.

Private carriers are competing with the Canadian National Railways and with Air Canada. There is a great need, therefore, for the government to make full disclosure of financing methods with respect to those two entities. The government must fulfil its responsibilities. Manufacturers of secondary commodities in the maritimes are greatly concerned about proposed changes in freight rate structures, which may impair their economic well-being. They feel that the new structures are being imposed and that the accounting system under which the C.N.R. operates is not being disclosed for public scrutiny.

Air Canada, too, must disclose its financing methods. That body is in direct competition with other private carriers. It can take the voluntary step of disclosing the information I think it ought to disclose, or steps may be taken in this house to force that disclosure. The railways, also, might volunteer to disclose the information that I think it is incumbent upon them to disclose.

The necessity for such disclosure arises, I submit, because of the serious consequences that face secondary and primary producers in the Atlantic provinces. Our manufacturers

[Mr. Forrestall.]

are at a disadvantage in competing with other manufacturers, unless they know the accounting methods of the C.N.R. Another argument for disclosure is that the Canadian public has no concept of where its money is going; and it ought to know. The public does not know whether current Air Canada and C.N.R. financing methods are in line with practices that are accepted by government and industry.

It is wrong in principle for the C.N.R. and Air Canada to refuse to disclose their accounting procedures. Already we have seen the consequences of certain hidden procedures which the C.N.R. and other government agencies adopted. Those consequences became apparent when we discussed the Canadian Transport Commission, and the operations of the railways in central and western Canada. The Crowsnest pass agreement is an outstanding example of what I have in mind. The failure to disclose has equally serious consequences for eastern Canada, and particularly the maritime provinces. Our primary and secondary producers must know how they stand with the mammoth crown agency known as the C.N.R.

To emphasize my point that it is wrong in principle not to disclose Air Canada accounting methods, it must be remembered that Air Canada now spends about a quarter of a billion dollars in its annual operations. Most of that money is spent for capital purposes, operating expenditures and so on. I submit that members of the House of Commons and the people of Canada have the right to know how that tremendous amount of money is spent, and what accounting procedures are adopted with respect to it. I do not suggest that there is anything wrong with the expenditures or that there is anything misleading in the way they have been presented to us. Nevertheless, it is wrong not to disclose accounting methods.

Though it may be difficult to bring before the house, estimates with respect to the two entities of which I have spoken, I think the government has an obligation to show how the money is spent and to which part of each operation varying amounts of money are allocated. For example, how much money does the Canadian National, in co-operation with the Canadian Pacific, spend in the telecommunications set-up? How much public money competes with money from the private sector in the operation of that set-up?

• (9:00 p.m.)

Parliament can exercise control over its expenditure only on the basis of disclosure.

This disclosure has not been made. Speaking in a very partisan sense, and I make no apology for doing so—I have some responsibility toward those who are trying to earn their living in Atlantic Canada—I say that until such time as there is disclosure, and a degree of frankness which has so far not been evident, the passage of this bill or any other dealing with Canadian National Railways is going to be a little difficult. Unless there is full disclosure, the people of Atlantic Canada are entitled to question these matters, they are entitled to be suspicious. As one member from Atlantic Canada I am fed up to the eye teeth, thoroughly disgusted and infuriated that—

An hon. Member: Resign.

Mr. Forrestall: I have no intention of resigning. Until this matter has been corrected, we cannot know what is going on within the C.N.R. and we cannot realistically criticize them. We were given no basis for the compensatory principle adopted in the legislation which was passed last fall, other than the superficial statement that it was desirable and necessary.

The livelihood of Atlantic Canada depends upon an adequate rail service, priced not beyond the means of primary and secondary industry to pay, both in connection with the transport of goods within the maritimes, and outside the maritimes and return. If you will pardon me, Mr. Chairman, I use the terms "maritimes" and "Atlantic Canada" synonymously. Part of the difficulty has been caused by the inability of parliament to drag out of the C.N.R. disclosure of its accounting principles. This cannot continue unless parliament and Canada are prepared to write off the four Atlantic provinces.

It amazes me that hon. members from Atlantic Canada on the government side have remained so silent on this critical question during the last few years, and certainly during the last 24 or 30 months. I cannot see any of them on the other side of the house, oh yes, I see one, but I shall not name him for fear of embarrassing his colleagues. This is a crucial time in Atlantic Canada. It is crucial in terms of what the railways propose. If the government expects the producers in the maritimes, those who are the basis of our economy, to accept any motion at all in parliament in connection with the C.N.R., the railway itself will have to accept its responsibility to tell the people what is going on—to tell them why it is thought necessary to do such things as abandon class and commodity rates.

They have to explain in terms of their accounting, in terms of dollars and cents, the reasons for the decisive step they have taken in the face of all the promises made by the former minister of transport that nothing detrimental would happen. They have to explain these things, and the best way in which to do so is through full disclosure of their accounting principles. What great secrets does the C.N.R. have to hide? Or is it that they do not understand their own accounting procedures? Perhaps someone says: We need X dollars; we anticipate moving Y tons of freight; divide X by Y and you get a freight rate. The public is confused, and I say a full disclosure must be made.

It has been indicated to us that disclosure will be forthcoming in the case of Air Canada. It has not been done to date; there has been no separation of the two organizations. There has been a clear indication from the C.N.R. that the company is not willing to make the kind of disclosure which is required, so that producers and manufacturers in Atlantic Canada can determine the basis upon which those responsible for rail transportation arrive at their freight rates or their transportation costs and expenditures.

In conclusion I will repeat the second point I made. I deplore the expenditure of government funds in the absence of a full understanding on the part of parliament of the need for this money to be spent, especially when it is being spent in direct opposition to private industry. To the best of my knowledge the government has yet to do anything as efficiently as private industry. I am not suggesting that the C.N.R. is unnecessary or that we do not require it. This applies to Air Canada as well. But this "holier than thou" attitude adopted by the C.N.R. has to come to an end. As one member from Atlantic Canada I shall not permit this bill to go through until we have been given some explanation of what is going on in that region.

• (9:10 p.m.)

Mr. Deachman: I am in sympathy with the remarks just made by the hon. member for Halifax. As a member of the committee on transportation I cannot think of anything more discouraging than the business of examining the C.N.R., or indeed a number of other powerful crown corporations. The problem raised by the hon. member for Halifax is not one that we should lay entirely at

the door of the C.N.R. It is one which we in parliament could solve to some extent ourselves. It is the problem of acquiring in the committee structure of parliament a little more expertise in our capability to examine crown corporations such as the C.N.R., Air Canada and others.

I recall the days when Donald Gordon used to appear before the transport committee. He would appear before that committee surrounded by a coterie of experts, each carrying a black bag filled with a profusion of statistics to prove any particular case he wanted to make. All the expertise was on the side of Donald Gordon. There was no expertise whatsoever on the side of the committee members. Planked down in front of us, he could parade an endless array of statistics that we could not understand, and so he was able to make a brilliant appearance before that committee year after year. We knew nothing of what went on within the confines of the C.N.R.—only what Mr. Gordon slipped out to us from behind the pullman curtain while the body of the C.N.R. remained concealed behind that curtain.

I suggest we could overcome this problem by employing some expertise within the committee structure, and building up some expertise on our part to confront the crown corporations, and indeed the ministers who come before committees with expert witnesses and with vast volumes of information and statistics. Within the committee structure we have the responsibility to oversee what the government is doing, and although the hon. member for Halifax and I sit on different sides of this house, we share that responsibility. Neither one of us is a member of the government. Each of us has the responsibiltiy of explaining to his constituents what the government is doing, and we have the responsibility of intelligently overseeing what the government is doing.

Can the hon. member and I oversee what the government does if in the committee system we do not have some expertise on our side, so that we can make deeper inquiry into what the government is doing? Under the present committees structure we simply serve on committees. We call ministers and heads of crown corporations before us, ask them questions without real preparation, get answers which are backed by their experts, and then retire puzzled, but not really informed, and not really any wiser.

I think I speak for members on all sides of the house when I say that I do not think we can continue as intelligent members on the back benches and perform a duty useful to our constituents unless we develop within the committees system an expertise that is capable of confronting the ministry in an efficient manner. So I make this appeal to the hon. member for Halifax tonight, as I have often made it in private conversation with individual committee members, that in the evolution of the committees system we must begin to develop to a status of something more than a mere clerk who sits there and takes the minutes of a committee. On our part we must have some form of examination which goes deeper into the work of government and the work of crown corporations than we are able to go under our present system. There is an inability on the part of the ordinary backbencher to come face to face in an expert fashion with a proliferating number of crown corporations and vast public enterprises, which we are quite incapable of examining at present.

Mr. Forrestall: I wish to ask the hon. member one question. Would he mind removing himself from the chamber, call the Minister of Transport and find out why he is not here right now? I agree that the hon. member is absolutely right in his conclusions.

Mr. Sharp: Just to keep the record straight, Mr. Chairman, this bill provides for the financing of the C.N.R. and I think it is not really appropriate that questions relating to transportation policy should be raised at this time. I have no objection to listening to them, and I must say that some of the points made by hon. members on both sides about the difficulty of obtaining the information they need may have some justification; but I think it would really be stretching the meaning of the words in this bill to expect that questions of the kind raised should be answered at this time.

Mr. Bell (Saint John-Albert): Mr. Chairman, I shall have some remarks about C.N.R. financing later this evening, but just on the point brought up by the minister I would like to say that when everything is going all right with the railways, what he says may have some validity. We usually give routine passage to the financial bill, after having examined the company's budget in committee; but the present situation is different. The Minister of Finance is connected with the problem because across this country, particularly in the eastern and western areas,

freight rate increases are causing much concern. Therefore I suggest that what has been brought forward by the two previous speakers is very important. I do not know whether it is worth while trying to get the Minister of Transport and the officials of the company here tonight, but I do say we have to look at this matter in an entirely different manner in view of the abdication by the government of the transportation field.

Mr. Fane: Mr. Chairman, I think the Minister of Finance was a little out of order when he suggested that we should talk only about financing. Clauses 3 and 4 of this bill deal with the operating of railway lines and the building of branch lines. They provide money for road property, branch lines, telecommunications, hotels and investment in affiliated companies such as Air Canada to a total of $264,800,000. Therefore I cannot see any reason why we should not discuss all these things, and it is my hope that I may be allowed to do so.

The first thing I wish to mention briefly is the subsidy of $67 million to be given to Air Canada. I know this will provide extra aircraft and other facilities, and I wish to point out that in this day and age there should be a much better air service into Alberta's capital city of Edmonton. The present situation there is simply appalling. One can hardly get a flight to it, and once one gets there it is difficult to get a convenient flight out of it. Also the capital city of Canada is very badly served with flights to other parts of Canada. If any place should have an adequate air service, it is our capital city of Ottawa.

• (9:20 p.m.)

Mr. Woolliams: Hear, hear.

The Deputy Chairman: I regret to interrupt the hon. member for Vegreville, but I am endeavouring to determine whether he is on sound ground or a little up in the air in speaking about Air Canada. Perhaps he would be more on the right track if he were to speak about the expenditures of the Canadian National Railways or about what assistance the federal government should give them.

Mr. Fane: Thank you, Mr. Chairman. I will agree with you about that, provided Air Canada is entirely divorced from the business of the Canadian National Railways. I think the management of the Canadian National Railways has made such an appalling mess of administration that it would be a crime to have Air Canada subjected to that type of management.

Mr. Cowan: I rise on a point of order, Mr. Chairman. With regard to the remarks of the hon. member, may I point out to him that I intend to speak on Air Canada under clause 10. He will find that clause 10 has to do with Air Canada.

Mr. Fane: Both clauses 3 and 4 also refer to Air Canada. In any event, I have made my few remarks about Air Canada. I should like to say, however, that the service provided is very wonderful, but the trouble arises in trying to get it.

Mr. Walker: It is nice when you can get it.

Mr. Fane: It is wonderful, but not when you cannot get a flight from Ottawa to Edmonton.

The Deputy Chairman: Order. I think perhaps the hon. member for Vegreville should go along with the suggestion of the hon. member for York-Humber and go up in the air on clause 10.

Mr. Fane: Very good, Mr. Chairman; you will hear it all over again on clause 10.

This amount of $264,800,000 in respect of the Canadian National Railways angers me so much that I would be inclined to cut that figure down to $1, until they learn how to treat the people of Canada properly and until they provide the services they are supposed to provide, and for which they have been kept in business so long at such a great expense to the taxpayers of this country.

Mr. Woolliams: Hear, hear.

Mr. Fane: The Canadian National Railways has restricted its services. It is not necessary for me to tell anyone here how they have restricted services. They have closed stations and have provided freight services, carload lots, less than carload lots, express services and telecommunications by remote control. This might enable them to operate with a great deal less staff, but it certainly does not provide for efficiency and convenience for the people.

Let us not forget that it is only a few weeks since the railways brought into being a plan whereby they wished to charge $6.75 for sending a can of cream to the city and return. I realize, as was stated by the minister the other day on the late show, that that now has been delayed for, I believe, 90 days.

The less than carload lot facilities for freight are positively appalling in most cases. There is reference in the bill to branch lines and road property. I would like to use as an example the Canadian National spur line from Fort Saskatchewan to the subsidized Imperial Oil fertilizer plant at Redwater. The officials of the C.N.R. have advised us that they are building this 12½ miles of spur line through some of the finest farmland in Canada, and through farms which have been established for a longer period than any others in Alberta, in order to save expense. The railways have a line within six miles of that plant. Why could they not build that spur line over the shortest route to connect with the main line?

They talked about rolling up one part about 20 miles in length in order to save money. That is absurd. They did not need to build this line at such a cost. God only knows how much it will cost to provide this spur line. I am darned sure that if I had anything to do with it the whole amount of $264,800,000 would probably go toward paying for the damage they have done in the area. They also advised me that they were saving money in building this line, because they had to do a little fixing up of the existing lines that are there. How silly can they get. If they just built four or five miles of line up to the town of Redwater where the railway already is, they would not need to buy any land. They could go along right beside the road allowance into Redwater. In this way only a matter of perhaps six miles at the most would be involved.

They told me they were saving money by building this spur line. Well, if they can save money by building a line like that, why can they not save a little more money by building the railway line from Heinsburg in Alberta to Frenchman Butte in Saskatchewan. This railway ends in a dead end at Heinsburg, Alberta, near the salt plant there. They have to bring all their production from that area back to Edmonton on the railway, a matter of perhaps 140 miles back, while all they would have to do is complete 39.1 miles in order to finish that line to Frenchman Butte in Saskatchewan. Part of the road bed was built 35 years ago.

I cannot understand this kind of poor management. I remember one occasion when five of us went to Montreal to see the then president of the Canadian National Railways. When we presented this proposition to him he said, "What do you fellows think you are doing; are you going to tell me how to run my railway?" One of our members just about jumped across the president's long, wonderful, beautiful mahogany desk and yanked him over to our side to beat him up. He would have been able to do it too, even though the then president was a pretty big man physically.

Why is the Canadian National Railways not able to come up with some realistic program of management? I do not wish to go into too much more detail. I have already spoken about the spur line from Fort Saskatchewan to the Redwater plant. Why in the name of heaven could they not have surveyed a more suitable line, and done so by some other means than the use of an aerial photograph of the area? I cannot understand why the land could not have been surveyed properly and located along a route to avoid the destruction of so much good land. It appears to me and to the 23 farmers whose land was confiscated—perhaps expropriated is the polite word—that whoever laid out the line and approved of it crowded the idiot fringe pretty darned close.

• (9:30 p.m.)

The C.N.R. is also abandoning lines in the west without any apparent rhyme or reason. They suggest the lines are not paying. It is understandable why they are not paying if they provide no facilities. The railway certainly cannot expect this to be a paying proposition when they cut off passenger traffic.

Before you call me to order again, Mr. Chairman, I shall defer the remainder of my remarks until we reach consideration of clause 10. At that time I probably will tell the committee again about a matter in respect of Air Canada.

Mr. McCleave: Mr. Chairman, I wish to make a point or two on clause 4, which I understand deals with the capital financing of the Canadian National Railways system. Before doing so let me say it is regrettable that the Minister of Transport is not in the house, because I think some pretty relevant questions could be asked as to the breakdown—

Mr. Byrne: Mr. Chairman, I rise on a point of order. Let me direct hon. members attention to the fact that the bill now before the committee comes within the purview of the Minister of Finance. When the Minister of Transport left the house this afternoon he delegated me to look after certain legislation which, I am thankful to say, has been dealt

with by the house. The minister also asked, during a communication with me since, that I take into account all matters brought to the attention of the committee in respect of the Canadian National Railways. He indicated that he would be happy to discuss them at the earliest possible moment.

Mr. Sharp: On the same point of order, Mr. Chairman, my attention has been drawn to a remark made by the hon. member for Saint John-Albert as reported at page 2527 of *Hansard* for September 26. He said:

> In the effort to be helpful we have checked over here and we find there is some agreement—

I hope that agreement continues. He then said:

> —I am certainly not speaking for everybody—that this is a routine measure and that there is little change, if any, from what has been done in other years. It has been customary to allow second reading without extended debate.

He seemed to be speaking for someone. He then said:

> I wish to say quickly, though, that there are some on this side who are experiencing problems which they might have raised on this occasion, but they are willing to wait for the debate on the budget or some other occasion before doing so.

I am wondering whether there has been a change of mind.

Mr. MacEwan: You changed our mind.

Mr. Bell (Saint John-Albert): Mr. Chairman, I should like to reply. I think my remarks of a moment ago covered this. At the time referred to by the minister I said that this was a routine bill. I still admit this; but since September 26 the Minister of Transport and the Minister of Finance started to fool around with rates in the transportation field. I give notice to the minister, in case he did not understand me last Tuesday—and he is certainly aware of the situation in the maritimes and out west—that we no longer consider this to be the normal bill. Any previous statements made have been forgotten, and we plan to bring out in the open the full story about the abdication of this government in so far as the transportation field is concerned. I say this with all sincerity: The record of this government is horrible in the field of transportation. If we have to follow this procedure, all I can say is that we do so according to parliamentary processes. This will be done this way as far as I am concerned. That is my answer to the minister.

Mr. Sharp: Mr. Chairman, let me say that I was not objecting, but merely trying to draw attention to the statement made previously by the hon. member.

An hon. Member: And you got your answer.

Mr. McCleave: I hate to interrupt these points of order, Mr. Chairman, but perhaps I could continue to make the few points I have in mind. I was not aware that the parliamentary secretary had been given the task of representing the Minister of Transport here tonight. I have sat patiently through three points of order, but if the hon. gentleman would like to reply to those points already made by those who have taken part in the debate before I make other specific points, I will defer to him.

Mr. Byrne: Mr. Chairman, I think I made quite clear what I meant, and if the hon. member was not listening that is surely no fault of mine. The minister is engaged elsewhere in very important consultations. He did not anticipate that this bill would be considered this evening but he did ask me to note carefully all matters being discussed and indicated that he would be pleased to deal with them when an opportunity presented itself.

Mr. McCleave: Mr. Chairman, I thought the parliamentary secretary had offered to act as spokesman in the house for the minister. He is now telling us that he is merely an errand boy for the minister.

Mr. Byrne: On a point of order, Mr. Chairman—

Mr. Starr: There is no point of order.

Mr. Byrne: I had the privilege of sitting on the opposite side when the hon. member was on this side performing substantially the same duties.

Mr. McCleave: I recognize the fact that at one time I was a parliamentary secretary, Mr. Chairman, but I had a different concept of my duties than perhaps the hon. member has. Perhaps he can indicate whether he has been provided by his grateful minister with a list of the projects for which capital is sought under clause 3 of this bill. Is that sort of information to be made available to us tonight?

Mr. Byrne: I think it is quite obvious, since this bill is in the name of the Minister of Finance, that he will have all the relevant information.

Mr. McCleave: This is like playing ball, and I am now in the big leagues. Let me ask the Minister of Finance whether he has the information for us this evening as to the capital projects covered by the borrowing transaction set forth in this measure.

• (9:40 p.m.)

Mr. Sharp: Mr. Chairman, some time this spring the operating and capital budgets of the C.N.R. for 1967 were tabled in the House of Commons. These are a matter of record in the house.

Mr. McCleave: Thank you very much, Mr. Chairman. Perhaps now I can get around to the question I wanted to put. It is simply this: How much consultation is there between the Department of Transport and the Canadian National Railways with regard to capital projects? I make this point because I think the C.N.R. could be misled into making substantial outlays for capital projects if it did not have the ear of the Minister of Transport and if it were not privy to the thinking of that hon. gentleman. The specific case in point involves a massive investment of the C.N.R., and therefore of the public of Canada, in the ocean terminals in Halifax, terminals which, as we know, are being used less over the years because of the drop in winter traffic.

This was my reason for being interested in the planned capital improvements—which nobody seems to know about here, although they are apparently contained in some document—and this was why I put the question to the parliamentary secretary and later to the Minister of Finance. It seems to me that the C.N.R. might be misled by the policy of the Department of Transport as announced by the minister, under which operations in the gulf of St. Lawrence and in the St. Lawrence river are carried out solely for the purpose of flood control. We in Halifax know differently. We know that the operations there are cutting seriously into the winter business in the ports of Halifax and Saint John. Therefore I think I raised a legitimate question on whether the capital expenditures being permitted by the government will be realised in the use of these facilities, or whether they will be allowed to gather rust. The ice breaking operations in the St. Lawrence gulf have increased substantially from 1962 until the present time. I wish to give some figures briefly because I do not want to belabour that point, except as it relates to the C.N.R. spending.

Some $3.5 million was spent in 1962 of which $1.9 million was spent on ice breaking operations in the St. Lawrence river and the gulf of St. Lawrence. By 1966, of a total budget of $4.3 million for all of Canada, $2.83 million went into the operation in the St. Lawrence river and the St. Lawrence gulf, which is a rise from 54 per cent to 66⅔ per cent in the total budget for ice breaking.

Mr. Starr: May I beg the indulgence of the hon. member for Halifax and interrupt him to bring to the attention of the government the fact that it appears we will not be able to complete consideration of this bill tonight. However, for the sake of expediting the business of the house, I suggest that we terminate the debate on this bill, and proceed to items No. 39 and 43 which we are prepared to pass before ten o'clock. We are now on second reading of item No. 39 and we are prepared to pass this item as well as item No. 43, the second reading of Bill S-18.

Mr. Prittie: Mr. Chairman, before the house leader gets any wrong ideas about what can be accomplished, I should like to say that we are not agreeable to passing item No. 39, although we might agree to the passage of item No. 43.

Mr. Starr: In that case may I suggest that we consider item No. 43 first, and then go on to item No. 39?

Mr. Nicholson: I wonder whether the hon. member for Burnaby-Richmond realizes the seriousness of the situation and the need for additional judges in the Supreme Court of British Columbia. It is impossible to have cases heard in that province today with less than a year's delay, because of the shortage of judges. Now we have an opportunity to correct that situation.

Mr. Prittie: Mr. Chairman, I realize the seriousness of the situation, but I do not think one day will make any difference. We could have dealt with the matter in September and October, if it were that urgent.

The Assistant Deputy Chairman: Shall I rise, report progress and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

PUBLICATION OF STATUTES ACT

AUTHORIZATION TO PRESCRIBE FORM AND MANNER OF PRINTING

Hon. P.-E. Trudeau (Minister of Justice) moved the second reading of Bill No. S-18, to amend the Publication of Statutes Act.

Mr. Patterson: Mr. Speaker, with regard to this particular matter I think we should have a brief explanation of what is involved in the bill. I notice that certain clauses are very ambiguous, and the regulations seem to be quite broad. Would the minister explain to us what is actually involved in this bill?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, this bill intends to give to the governor in council authority to publish the statutes in a certain form. Under the present Publication of Statutes Act, statutes have to be published in separate volumes in French and in English. The intention of this bill is to allow the government to provide that the statutes be printed in some other form. The bill is introduced now because the Revised Statutes of Canada, which are to be published some time in the coming year, will be printed in the form recommended by the commission for the revision of statutes. The recommendation of that commission, which I believe will be accepted by the government, is to publish the statutes in French and in English in the same volume, the intention being to have on the same page a column in French and a column in English. In view of the fact that this will be done with regard to the revised statutes, the government feels it would be desirable to publish the annual statutes in the same form.

• (9:50 p.m.)

I may be out of order, Mr. Speaker, by going further than that, but if the house allows me I could say a few words in anticipation of the report of the revised statutes commission. The intention of publishing the two texts in the same volume, as I indicated, is in order to ensure that the laws of Canada are published in their entirety within the same set. As hon. members know, the British North America Act has stated that the laws of Canada shall be published in both languages. It has been the interpretation of the courts that both languages have equal authority, and that in the case of some doubt arising in the interpretation of a statute, the language will prevail which appears to the court to be closest to the intention of parliament. This being the case, for strictly legal and constitutional reasons alone, to say nothing of the political and symbolic reasons, with which I could gladly deal, it has been decided by the government that it would be prudent to make sure every edition of the statutes is printed in both languages in such a way that any lawyer, judge or person who uses the statutes would have at his hand the complete statutes, and not half of them in one language or in the other.

In that very real sense, Mr. Speaker, a lawyer pleading before any court of Canada, upon the statutes of Canada, is entitled to use both languages. I am not saying any court in any province allows pleadings in both languages because the constitution does not say that. The constitution does say, and the courts have so interpreted, that any lawyer in any province can use a statute in whichever language appears right to him. The court will use whatever language appears to correspond most closely to the will of parliament. This is the main reason the government intends to publish the statutes in this form.

There are of course other reasons, less legal, which have to do with the special intent of this government to ensure that the French language is given equality in the laws, in the sense the constitution decides it shall be given equality. Once again, Mr. Speaker, mainly speaking, this is for the publication of the revised statutes and is not an act for the publication in any special form. It gives the government the latitude, if it so desires, to pass orders in council or regulations which will permit the statutes to be published in this form if the government so desires. I believe, Mr. Speaker, that is a succinct explanation of the purpose of this bill.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, most of what the minister has said is irrelevant to the subject matter here. No one is questioning the status of the two languages. The minister has, with a great wealth of words, tried to conceal exactly what is intended here. What is intended, as I understand it, is to put in one volume both the French and English versions of the statutes. I do not know why the minister did not say that, and leave it at that. I ask the minister, then, what real purpose is served by so doing, other than enlarging the volumes?

Publication of Statutes Act

Every court, every person in Canada, can have access to the statutes in either English or in French. Many people keep both versions; but one does not have to have them on adjoining pages. In any case, the languages do not correspond exactly line for line when translated. You will have to run over the page for the translation from one language to the other. All that it is desired to do is to put in one volume both versions of the statutes. I do not believe this is necessary at all.

What size of book are we going to have? Right now, the revised statutes average about 1,000 pages per volume. Are they to be enlarged to 2,000 pages or will we have a much longer reach of volumes? The same can be said of the annual statutes. The statutes for 1966-67 are contained in a very large volume. I believe 85 bills were passed in that long session, which ran for a year and a half because of the bad management of the government. If that volume were printed in both languages, would it be contained in two volumes, three or four? What will be accomplished here will be just the inconveniencing of people who have to make use of the statutes. I make a great deal of use of them during the course of a session. There is not a year goes by but that I do not look through the statutes for some purpose or other with regard to bills coming before us. It is inconvenient enough now to search through the revised statutes, plus the amendments, when the volumes are of a fair size. I do not see why I should be saddled with double sized volumes in the future.

I am surprised that the minister did not really deal with the issue. It has nothing to do with whether or not the languages are recognized in this country. It is simply a dodge to put both languages in one volume, and there is no other purpose served by this measure.

The Acting Speaker (Mr. Tardif): If the minister speaks now, he will close the debate.

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I should like to ask the minister how many copies of the Statutes of Canada are now printed in English and how many copies are printed in French? With these figures we could calculate what the extra expense is going to be in printing this number of copies in both French and English. As the hon. member for Winnipeg South Centre (Mr. Churchill) has said, an increased amount of space will be required to file these books in libraries, judges' offices and lawyers' offices.

May I call it ten o'clock, Mr. Speaker.

Mr. Trudeau: I rise to a point of order, in order to answer the hon. member. I have the floor, so I intend to answer him.

The Acting Speaker (Mr. Tardif): The minister understands that he will close the debate if he speaks now.

An hon. Member: Order; ten o'clock.

Mr. Trudeau: Mr. Speaker—

Mr. Smith: Mr. Speaker—

Some hon. Members: Ten o'clock has been called.

The Acting Speaker (Mr. Tardif): It is ten o'clock.

Mr. Trudeau: I want to make it clear that I have the floor.

An hon. Member: Oh, no you don't.

BUSINESS OF THE HOUSE

Mr. Starr: I wonder if I could ask the government house leader what the house will be engaged in tomorrow and Thursday, and whether he can tell us at what time the Minister of Finance will make his budget speech on Thursday, as well as what we might be doing on Friday?

Mr. MacEachen: Mr. Speaker, we will begin tomorrow with the committee of the whole stage of Bill No. C-168, an act to amend the Criminal Code. We will take second reading of the Judges Act; second reading of the Government Employees Compensation Act; and second reading of an act to establish a corporation for the administration of national museums for Canada. It is intended, Mr. Speaker, that on Thursday the Minister of Finance will give his message at eight o'clock.

Mr. Starr: What about Friday?

Mr. MacEachen: I am not in a position to advise my hon. friend about the business for Friday. Depending on the progress we make tomorrow, I hope to be able to give it then. If my hon. friends make such rapid progress in the next day or so they might look forward to an early Christmas adjournment.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

[*Translation*]

AIRPORTS—MONTREAL—USE OF FRENCH IN DUTY FREE SHOP

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I should like to elaborate tonight on the question I put to the Minister of Transport (Mr. Hellyer) on October 12, 1967, as follows:

> Has the minister been advised that, at the Dorval airport, some concessionaires, such as the duty free shop, prevent and discourage the use of the French language by the customers who shop there. Will he take immediate steps to ensure that no discrimination is exercised with regard to the two official languages of Canada?

I want to protest strongly against the refusal to speak French on the part of certain persons and concessionaires at the Dorval federal airport.

Our days of humiliation are over. The time of persecution and discrimination is past.

We, French Canadians, have had enough of being insulted by representatives or concessionaires of the Ottawa government or crown corporations. And when, in addition, these insults take place on Quebec territory, our exasperation knows no bounds.

Often in this house or elsewhere, the question is asked as to what Quebec and French Canada want or complain about. Here is another example among thousands to illustrate our frustrations and our determination to demand substantial reforms.

I have already had the opportunity in this house to denounce such iniquities by certain employees of the Canadian Pacific in Montreal suburbs and by certain officers of the R.C.M.P. here in Ottawa.

If the two official languages of Canada are to be developed and given equal treatment, if national understanding is to grow and flourish the Ottawa government must first set an example, adopt legislation and make rules to prevent such discrimination and to promote the harmonious respect of the two cultures.

The federal government should advise all its employees and those of crown corporations or agencies within its immediate or indirect jurisdiction, that it intends to lay off or withdraw every privilege from Canadians who are so narrow minded as to behave like the individuals from the above-mentioned concerns.

Ottawa should also officially protest, after inquiries have been made, in respect to any instance that is brought to its knowledge where its recommendations in this area have not been needed.

Finally, any contract or lease entered into by Ottawa or any of its corporations or agencies should provide for the respect of both official languages in advertising and as working languages.

I hope the hon. minister will take these suggestions in serious consideration and that he will protest vigorously in the case which I have just brought to his attention.

Talking about bilingualism, I should also like to draw the attention of the hon. Minister of Manpower and Immigration (Mr. Marchand) to the unacceptable fact that the new manpower centre at Sherbrooke has employment application forms in English only, when 85 per cent of the people of my riding are French speaking. Therefore, I ask that measures be taken immediately to provide employment application forms in the two official languages.

[*English*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think all members of the house are in sympathy with the objectives of the hon. member as I understood them through the translation system. However, I want to assure him that this particular matter has been brought to the attention of the concessionaire. At the moment there are no regulations that permit the government to insist that a particular language be used. The minister is completely sympathetic, and if the hon. member deems it necessary will again bring the matter to the attention of those who are responsible.

Speaking personally, may I relate something that happened to me quite recently. I sent a message to the cafeteria, and in that message I ordered a toasted lettuce and tomato sandwich. I received a cooked meat or a smoked meat sandwich. When the messenger returned I was told that no one in the cafeteria could read what I had written. That, I presumed, was because my writing was not legible.

Proceedings on Adjournment Motion

ROYAL CANADIAN MOUNTED POLICE—
POSSIBLE PURCHASE OF U.S. WEAPONS
FOR RIOT CONTROL

Mr. Robert McCleave (Halifax): The matter which causes my intervention in the late show is two programs on the production entitled "The Public Eye", each of which was carried by the Canadian Broadcasting Corporation and each of which was hosted by Warner Troyer. The programs were shown last week and the week before and dealt with special devices—vehicles, chemicals and machines—which are used in riot control and which, in my question to the Solicitor General, I described as satanic. The matter was of sufficient interest that I felt I ought to rise in the house and speak about it.

Among the vehicles which are being developed in the United States for riot control are special armoured cars, small but high powered pistols, gas which leaves one helpless for 15 minutes, and a chemical which, when sprayed on one, leaves him completely helpless. He cannot walk or roll away, or do anything. I suppose that eventually the chemical wears off. Also shown on the program were methods of handling tear gas, and finally—and I must be careful with my language here—noise producing machines which cause those near to them to lose complete control of their lower intestines. I suppose this machine is not used often because it affects its operator as much as others who get in the path of its unusual sonic boom. All these devices were shown on the television program.

Also shown was a mounted police sergeant who had attended a school in order to learn riot control techniques. The sergeant was asked if Canada was interested in acquiring the devices which I have mentioned; to the best of my recollection he said, "no"' Earlier in the program a United States businessman from one of the companies which manufactures these infernal mechanisms said that some of these things I have detailed have been bought for Canada. To be fair, he tried to be close mouthed and left the question up in the air.

The Solicitor General has been good enough to attend in the house. I wish to ask him whether the R.C.M.P. are to acquire any of the various things I have mentioned during my brief intervention.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I wish to advise the hon. member that, apart from a few cans of a new spray type gas which were purchased for experimental purposes only, and which were found unsatisfactory, the R.C.M.P has not purchased any of the new weapons, chemicals or vehicles which apparently are being developed in the United States for crowd and riot control. The R.C.M.P. has no plans to purchase any of these devices in the forseeable future.

[Mr. Byrne.]

• (10:10 p.m.)

NATIONAL DEFENCE—LASALLE, QUE.—
LAY-OFFS AT NAVAL DEPOT

Mr. Raymond Rock (Jacques-Cartier-Lasalle): Mr. Speaker, yesterday morning I put the following question to the Minister of National Defence.

Is the Department of National Defence laying off employees at the naval depot situated in the city of Lasalle, giving only two days notice to its employees? If so, is this the department's normal procedure with respect to such notice?

Later I addressed the following question to the Minister of Labour:

Since railway employees receive two weeks notice before lay-offs, does he not feel that defence employees should receive equal treatment?

Mr. Speaker, it has been brought to the attention of the house recently that the railways have realized the immorality of laying off employees without sufficient notice. This was the result of questions asked in this house and promises made by the Minister of Transport to draw to the attention of the railways that they had a moral obligation to their employees to give them as much notice as possible in the event of lay-offs.

For this reason, Mr. Speaker, I was disappointed and surprised that the Minister of National Defence should have permitted layoffs at the Lasalle naval depot with less than 48 hours notice. Mr. Justice Freedman in an historical document emphasized the need for more co-operation in matters of this type. It is little wonder that employee-employer relations are at times very difficult. The morale of the people of my riding who work at this naval depot is low because of continued and persistent rumours of the closing of this depot and its transfer to Longue-Pointe.

Hon. Léo Cadieux (Minister of National Defence): As my hon. friend is aware, the Department of National Defence hires casual labourers for certain projects for which funds have been allocated. These men are not permanent employees, but it has been the departmental practice to give those concerned as much advance warning as possible about lay-offs.

There are cases, however, when these projects are completed ahead of schedule, or when the funds allotted to the project have been exhausted in advance of the estimated time of completion. In these instances, we cannot give much advance warning because we make every effort to employ the casual labourers for as long as the money is available for these projects. For example, we may employ a painter as a casual labourer on one project and, when that project is completed, re-employ him on another where his services are required.

I must also point out to my hon. friend that it is the policy of the department to release first the last man employed, to protect the seniority of the others. I regret very much that those casual labourers employed in Ville Lasalle were laid off on such short notice but I am told we have made every effort to keep them employed for as long as was possible. I must point out, Mr. Speaker, that although we have no legal obligation to give casual labourers any advance notice of impending lay-offs, we have a moral responsibility to give these men as much notice as possible. In the case at Ville Lasalle we gave them as much as we could, although it was not as much as we would have liked.

Motion agreed to and the house adjourned at 10.15 p.m.

HOUSE OF COMMONS

Wednesday, November 29, 1967

The house met at 2.30 p.m.

[*Translation*]

EXTERNAL AFFAIRS

ACTIVITIES OF PRIME MINISTER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, under the provisions of standing order 26, and seconded by the hon. member for Sherbrooke (Mr. Allard), I beg leave to move the adjournment of the house for the purpose of discussing a matter of definite and urgent public importance, namely the unacceptable interference of the right hon. Prime Minister (Mr. Pearson) in the domestic politics of two countries, France and England, with regard to the common market.

Mr. Speaker, I am prepared to tell you exactly why this is a matter of such urgent public importance—

[*English*]

Mr. Knowles: Mr. Speaker, I rise on a point of order. It may not be a world shaking one, but according to standing order 26 this motion should not be moved on a Wednesday until after questions are called.

Mr. Speaker: Order. The point is well taken. That is why I called questions. The Speaker is always right.

[*Translation*]

Mr. Grégoire: I will come back to this after the question period, Mr. Speaker.

[*English*]

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REDUCTION OF C.N.R. SERVICE IN NEWFOUNDLAND

Question No. 444—**Mr. Macquarrie:**

1. Have any protests been received from the government of Newfoundland concerning the proposed discontinuance of passenger service by the Canadian National Railways in that province?

2. If so, what was the date of such protest or protests?

3. What other organizations or individuals have made representations on the matter?

4. Has the government of Newfoundland made representations in opposition to the proposed abandonment by the C.N.R. of the Placentia line?

5. If so, what were the dates of such representations?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of Transport and the Prime Minister's and Privy Council offices as follows: 1. No.

2. Not applicable.

3. Mr. Harvey Keats, St. John's, Nfld; The Corner Brook and District Labour Council; The Newfoundland Federation of Municipalities; the city of St. John's; Gerald M. Stratton, Local Chairman Brotherhood of Railway Clerks, St. John's; Earle Thistle, President, Local 64, International Brotherhood Pulp Sulphate and Papermill Workers, Corner Brook, Nfld; E. E. Thoms, General Chairman, Brotherhood of Railway and Steamship Clerks, Freshwater, Nfld; H. J. Mills, Secretary Treasurer, Corner Brook and District Labour Council; W. V. Hogan, Deputy Mayor, Stephenville Crossing, Nfld; George C. Greening, St. John's, and in addition, 187 signatures on printed petition forms clipped from newspapers.

4. Yes.

5. June 15, 1967.

C.N.R. SLEEPING CARS

Question No. 521—**Mr. Godin:**

1. How many sleeping cars does the Canadian National Railway own?

2. How many are in use?

3. How much does the Canadian National Railway spend each year on the maintenance of one of these cars?

4. How many cars have been built since 1930 and how much have they cost?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. The Canadian lines' ownership totals 401 sleeping cars of all types.

2. During peak travel periods, all these cars are in use. During the balance of the

year, utilization varies between 80 per cent and 100 per cent.

3. On an average, approximately $13,520.

4. 249 at a cost of $30,072,431, which includes original cost plus subsequent capitalized additions.

REPAIRS TO C.N.R. BRIDGES, QUEBEC

Question No. 522—**Mr. Godin:**

Did any companies carry out repairs worth $50,000 or more to Canadian National Railway bridges, in Quebec between 1955 and 1965, and if so (a) what companies (b) where are their head offices located?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: (a) and (b) Yes, Intrusion Prepakt Limited of Toronto and R. F. Walsh Co. Ltd. of Ville Lasalle, Quebec.

C.N.R. CAPITAL EXPENDITURES

Question No. 541—**Mr. Grégoire:**

1. What were the capital expenditures of the Canadian National Railways for each of the past three years?

2. What is the breakdown by province?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. 1966, $175,608,859; 1965, $136,226,-815; 1964, $134,981,909.

Funds for such expenditures are derived from depreciation reserves, salvage and sale of preferred stock to the government pursuant to the Canadian National Railways Capital Revision Act.

2. As the railway company does not compile its capital budget nor does it administer the system by provinces, the information is not available in the form asked.

UNDERGROUND WATER BASIN, PRAIRIE PROVINCES

Question No. 561—**Mr. Enns:**

1. When was a survey undertaken to trace an underground water basin in the prairies?

2. Has it been possible to trace such an underground stream to the Yellowstone or Missouri river systems?

3. In what quantity, where and at what level is this natural resource located?

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. General groundwater studies in the prairies have been undertaken by the Geological Survey of Canada since 1842 and some 300 reports have been published. A number of investigations of buried river channels in particular have been conducted by the Geological Survey of Canada and provincial agencies and universities since 1946.

2. The pre-glacial Missouri buried river valley has been traced from N. Dakota into S.E. Saskatchewan and is joined by the pre-glacial Yellowstone buried valley 15 miles north of the international border.

3. The Saskatchewan research council found that the buried valley aquifers in Saskatchewan have a potential water supply capacity of several million gallons per day. At Estevan the aquifer lies between 102 and 378 feet below ground level.

SANDY BEACH, QUE.—CLEARING WORK AT DOCK

Question No. 588—**Mr. Blouin:**

Did the Department of Transport have any clearing work done at Sandy Beach, Quebec, dock during the winter 1965-66 and, if so (a) who was the contractor in charge of this work (b) how much was this contractor paid?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Yes (a) Gaspe Equipment and Transportation Company Limited employed on hourly basis as service required. (b) $426.21.

FUNDY NATIONAL PARK CONCESSIONS

Question No. 589—**Mr. Bell (Saint John-Albert):**

With respect to the concessions at Fundy national park in New Brunswick (a) is there any restriction against non-Canadian citizens holding concessions (b) are said concessions presently held by Canadians (c) what is the over-all departmental policy in this regard?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): (a) No. (b) All concessionaires in Fundy national park are residents of New Brunswick. Proof of citizenship is not required. (c) Concessions are awarded on the basis of the applicant's related experience, service to the public, personal suitability, financial position, ability to operate the concession and the financial return to the crown.

*ASSISTANCE FOR ADVANCED PILOT TRAINING

Question No. 616—**Mr. Brand:**

1. What government financed courses are available for the advanced training of pilots of helicopter and fixed-wing aircraft?

2. Have any of these courses for commercial pilots been paid for in their entirety by the federal government and, if so, what class of commercial pilots has benefited from this government support, how many have there been, and from what branches of commercial flying do they come?

3. Has the government any plan to extend such aid to any commercial pilots in order to improve their flying qualifications?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, so far as the Department of Transport is concerned the answer to the question is the following.

1. The Department of Transport does not finance advanced training courses for pilots on any type of aircraft.

2. The answer is, not applicable.

3. The answer is that consideration has been given to aiding commercial pilots to improve their flying qualifications but departmental studies in this regard have not been finalized and no further statement can be made at this time.

SAINT JOHN, N.B.—FEDERAL TAKE OVER OF AIRPORT

Question No. 622—**Mr. Douglas:**

1. Has the federal government agreed to take over the airport at Saint John, New Brunswick?

2. If so, on what date will the takeover take place?

3. Will the employment and benefits of all present employees be protected at the time of such a takeover?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. When funds are available for such an undertaking.

3. The employment and benefits of all permanent employees on the airport establishment at time of negotiations will be protected at takeover in accordance with government policy.

DIVERSION PROGRAM FOR SURPLUS POTATOES

Question No. 626—**Mr. Laprise:**

1. During the year 1967 did the federal government, either alone or in collaboration with the provinces, participate in a program to divert surplus potatoes from the 1966 crop for non-food purposes and, if so, what amount was allocated to each province?

2. What amount was allotted per barrel or hundredweight, and for what quantities?

3. What were these potatoes used for?

4. Were subsidies granted for exportation and, if so, on (a) what amount (b) what quantities?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Agriculture and Trade and Commerce as follows: 1. A price stabilization program for the diversion of surplus potatoes from the 1966 crop for non-food purposes was announced on March 22nd, 1967. No specific amount of assistance was allocated to each province.

2 and 3. Assistance was provided: (a) for starch diversion programs, (i) during March and April 1967 of $1.20 per barrel; (ii) during May, June and July 1967 of $1.25 per barrel; (b) for livestock feed programs of 75 cents per hundredweight; (c) for approved provincial diversion programs of 50 cents per hundredweight.

Assistance for each producer under programs (a) and (b) was limited to 1,000 barrels; and for program (c) to 5,000 barrels less the number of barrels upon which assistance has been received under programs (a) and (b).

4. No.

ICEBREAKING FLEET

Question No. 633—**Mr. Coates:**

1. What is the size of the Department of Transport's icebreaking fleet at the present time and what was the size of this fleet in 1955, 1960 and 1965?

2. How many individuals are directly employed on the icebreakers and what was the amount paid to these employees in salary and wages in the year 1966?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The Department of Transport's icebreaking fleet at the present time totals 19 vessels. This total includes 15 lighthouse supply and buoy vessels built to icebreaker standards. The totals for 1965, 1960 and 1955 were 19, 17 and five respectively.

2. There are 1,122 individuals directly employed on Department of Transport icebreakers. Salaries and wages paid to these employees in 1966 totalled $6,267,158.

ST. LAWRENCE SEAWAY

Question No. 634—**Mr. Coates:**

1. What was the initial cost to the government of Canada in the construction of the St. Lawrence seaway and what proportion of the over-all cost does this represent?

Questions

2. On what basis was this capital cost amortized, at what interest rate, over how many years, what is the annual amount required to retire the capital cost, and what portion of this amount represents interest?

3. Have the annual payments been made?

4. What is the total amount of capital expenditures made on the St. Lawrence seaway since its initial construction and what portion of this amount has been the responsibility of the government of Canada?

5. What is the estimated cost of twinning the Welland canal and when will this project be completed?

6. What were the annual receipts from tolls received by the St. Lawrence seaway authority for the year 1966?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The St. Lawrence seaway authority advises as follows:

1. Initial Capital Cost

	CANADA				
	Montreal-Lake Ontario section	Welland canal	Total Canada	U.S.A.	Grand total
			(000's $)		
Cost at 31st December 1959	$284,971	$ 25,720	$310,691	$123,317	$434,008
Value of assets entrusted to SLSA by order in council P.C. 1959-204	—	130,676	130,676	—	130,676
	284,971	156,396	441,367	123,317	564,684
	—	—	(78.2%)	(21.8%)	(100.0%)

2. (a) Montreal-Lake Ontario section—The repayment conditions under which loans were effected from the government of Canada provided that loans should be amortized with interest over the 50 year period 1960-2009. Moneys have been borrowed at varying rates, the average rate at December 31, 1966, being 4.4 per cent. As of December 31, 1966, the annual amount required to repay the debt, together with interest, during the years 1967-2009 is $19.3 million dollars. If the 1967 payment was made the amount of interest included would be $16.3 million but this would decline each year thereafter and the amount of payment on account of principal would increase.

(b) Welland canal—There is no provision for the amortization of or interest on the amount of $130.7 million representing the value of entrusted assets.

Amortization and interest provisions with respect to the initial capital cost were similar to those for the Montreal-Lake Ontario section. Some time after Welland Canal tolls were suspended in 1962, however, moneys borrowed in respect of the Welland canal were made interest free and the establishment of repayment terms was deferred until construction should be completed. Subsequently borrowings made after September 22, 1966, which amount to $9,727,000 at December 31, 1966, were made subject to deferred interest the payment of which, together with loan principal, is to commence after completion of construction on terms then to be decided.

3. Payments have been made only to the extent of a portion of the interest accruing which is therefore in arrears.

4.

	CANADA				
	Montreal-Lake Ontario section	Welland canal	Total Canada	U.S.A.	Grand total
			(000's $)		
Additions January 1, 1960-December 31, 1966	$ 44,066	$ 56,507	$100,573	$ 7,737	$108,310
	—	—	(92.9%)	(7.1%)	(100.0%)
Grand total—December 31, 1966	$329,037	$212,903	$541,940	$131,054	$672,994
	—	—	(80.5%)	(19.5%)	(100.0%)

5. The estimated cost of twinning the Welland canal, and its estimated completion date, are presently unknown as this entire scheme, or possible alternatives, are presently under review by the government and no decision has as yet been taken.

6. Montreal-Lake Ontario section, $17,281,-526; Welland canal, nil.

*CANADIAN AIR PASSENGER TRAFFIC

Question No. 643—**Mr. Hamilton:**

1. What percentage of Canadian residents have never flown on Air Canada and Canadian Pacific Airlines in any one year or in all of the years between 1963 and 1966 inclusive?

2. What percentage of passengers carried on Air Canada in 1966 took one way trips of 2½ hours duration or less?

3. What is the estimated percentage of Canadian residents likely ever to fly on Air Canada or Canadian Pacific Airlines when advanced subsonic and supersonic transport are utilized?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows. The answer to the first question is: 1964, estimated 88 per cent. The answer to the second question is: not known. The answer to the third question is: 1975, estimated 18 per cent.

REPORT ON DEVELOPMENT OF NATIONAL CAPITAL REGION

Question No. 652—**Mr. Bell (Carleton):**

1. Has the National Capital Commission retained consultants to make a study and prepare a report on development beyond the outer perimeter of the green belt in the national capital region?

2. If so, who were so retained?

3. Has a report been received?

4. If so (a) what is the nature of the report (b) what conclusions does it reach and what recommendations does it make (c) what action, if any, is proposed thereon?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, jointly with Central Mortgage and Housing Corporation.

2. Project Planning Associates Limited, Toronto.

3. The commission has received a report, but this has not yet been transmitted to the Minister of Public Works.

4. The minister is not in a position to reply to this part of the question. See reply to part 3 above.

Questions

AGREEMENT WITH ITALY RESPECTING AIRWORTHINESS CERTIFICATES

Question No. 662—**Mr. Lambert:**

1. Is a delegation composed of officials of the Department of Transport, civil aviation branch, and possibly others, being sent to Italy to negotiate a reciprocal agreement between Canada and Italy for the granting of certificates of airworthiness to aircraft manufactured in the two countries?

2. If so, what officials and what is to be the duration of their trip as well as the estimated cost?

3. What is the purpose and/or necessity of such an agreement?

4. Are Italian aircraft sold and operated in Canada, and what is the estimate of the number of such aircraft operating in Canada?

5. Are Canadian aircraft sold and operated in Italy, and what is the estimate of the number of such aircraft operating in Italy?

6. What is the level of customs duties imposed by Italy on aircraft of Canadian manufacture?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No reciprocal agreement was being negotiated. However, two officials of the civil aviation branch, Department of Transport, recently visited Rome to explore the possibility of arriving at a technical understanding with technical officers of the Registro Aeronautico Italino to expedite the approval and validation of each other's certificates of airworthiness for aircraft, engines and aircraft accessories being manufactured in the two countries.

2. The chief, aeronautical engineer and the superintendent, airworthiness requirements. The duration of the trip was one week and the estimated cost is $1,500.

3. Not applicable, see answer to part 1.

4. Yes, five Italian manufactured aircraft are licensed and operating in Canada.

5. Yes, five Canadian manufactured aircraft are licensed and operating in Italy.

6. The following customs duties, based on aircraft empty weight, are imposed by Italy on Canadian manufactured commercial aircraft: Up to 5,000 kilograms, 13.8 per cent; 5,000 kg. to 15,000 kg., 11.5 per cent; 15,000 kg. to 35,000 kg., 10.8 per cent.

AIRPORT IMPROVEMENTS, CHARLOTTETOWN, P.E.I.

Question No. 664—**Mr. Macquarrie:**

1. Is it intended to make extensions to the runways and to the terminal building at the Charlottetown airport?

2. If so, what is the date of commencement for such improvements?

3. What other steps are contemplated to up-date the overall facilities at this airport?

Questions

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The department's five-year planning includes provision for a new terminal building within the next five years. There are no plans to provide extensions to the runways.

2. An exact commencement date for the terminal building cannot be established at this time since this will depend on the availability of necessary funds and the resolution of a number of operational considerations.

3. A new maintenance garage and fire hall are also planned for same period as well as instrument landing system, all subject to availability of funds.

OTTAWA—BILINGUAL MUNICIPAL SIGNS

Question No. 672—**Mr. Caouette:**

Has the government made representations to the city of Ottawa to have municipal signs made bilingual?

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): No. The federal government has arranged however for signs to be bilingual on all property under the control of the National Capital Commission.

PENSIONS OF ARMED FORCES PERSONNEL

Question No. 689—**Mr. Knowles:**

1. How many retired armed forces personnel are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of armed forces personnel or of retired armed forces personnel are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the total number of retired armed forces personnel and also the number of widows of armed forces personnel or of retired armed forces personnel presently residing in each province?

4. In respect of how many orphans of armed forces personnel are pensions being paid and what is the average amount thereof?

Hon. Léo Cadieux (Minister of National Defence): 1. (a) 12; (b) 70; (c) 237; (d) 317; (e) 329; (f) 292; (g) 465; (h) 588; (i) 659; (j) 3,353; (k) 3,968; (l) 3,681; (m) 2,337; (n) 3,620.

2. (a) 2; (b) 22; (c) 53; (d) 121; (e) 184; (f) 202; (g) 170; (h) 184; (i) 143; (j) 544; (k) 211; (l) 95; (m) 38; (n) 28.

[Mr. Macquarrie.]

3.

Province	Retired Personnel	Widows
Newfoundland	45	6
Prince Edward Island	118	9
Nova Scotia	1736	149
New Brunswick	490	75
Quebec	1994	207
Ontario	8462	897
Manitoba	732	93
Saskatchewan	245	45
Alberta	1322	121
British Columbia	4036	308
Northwest Territories and Yukon	359	1
Outside Canada	389	86

4. 33; $28.88

PAYMENT TO PRIVATE STATIONS FOR C.B.C. NETWORK PROGRAMS

Question No. 696—**Mr. Simard:**

Do private television stations receive any remuneration for carrying C.B.C. network programs?

[*Translation*]

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. that private television stations affiliated with the corporation receive payment for the sponsored C.B.C. network programs they carry. They receive no payment for broadcasting unsponsored C.B.C. programs. These are supplied to them free of charge by the corporation which pays all production and delivery costs.

[*English*]

HOMES FOR OLDER PERSONS

Question No. 702—**Mr. Laprise:**

1. Since 1965, how many homes for elderly persons have been built (a) in Canada (b) in each province?

2. What was the cost of these homes for each province, and how many beds are provided?

3. Are any projects of this nature at present under study and, if so, how many?

Hon. J. R. Nicholson (Minister of Labour): 1 and 2. The following table provides data on loans approved for housing elderly persons under the National Housing Act, Sections 16, 16A, 35A and 35D for the period January, 1965 to October 31, 1967.

GROSS NHA LOANS APPROVED FOR HOUSING ELDERLY PERSONS UNDER THE NATIONAL HOUSING ACT, SECTIONS 16, 16A, 35A AND 35D, JANUARY 1965–OCTOBER 31, 1967

Area	Number of loans	Number of dwelling units	Number of hostel beds	Estimated cost $000
Newfoundland	2	16	45	512
Prince Edward Island	9	185	172	3,014
Nova Scotia	4	95	76	1,626
New Brunswick	6	33	245	2,199
Quebec	24	262	1,373	12,452
Ontario	70	3,578	1,298	50,725
Manitoba	34	575	643	9,881
Saskatchewan	45	285	1,421	12,533
Alberta	1	1	20	217
British Columbia	38	1,341	220	14,632
Canada	233	6,371	5,513	107,791

3. As at November 23, 1967, approximately 190 projects for housing elderly persons were under study.

OPERATIONS OF INDUSTRIAL DEVELOPMENT BANK

Question No. 705—**Mr. Godin:**

1. What losses have been sustained by the Industrial Development Bank each year since its inception?

2. What sum was transferred for each of these years from the profits earned by this bank to the credit of the Bank of Canada?

Hon. Mitchell Sharp (Minister of Finance): 1. The net amount of loans written off by the Industrial Development Bank each year since its inception have been:

Fiscal year ending Sept. 30	Net write offs (thousands of dollars)
1945	-
1946	-
1947	-
1948	34
1949	33
1950	66
1951	3
1952	2
1953	25
1954	154
1955	37
1956	-
1957	54
1958	63
1959	815
1960	(412)*
1961	244
1962	250
1963	129
1964	198
1965	573
1966	393

* Includes transfer of $315,000 interest previously unapplied and held in suspense.

2. There have been no transfers of profits earned by the Industrial Development Bank to the Bank of Canada.

MANPOWER OFFICE, TROIS-RIVIÈRES, QUE.

Question No. 709—**Mr. Mongrain:**

1. On what date did the federal manpower office in Trois-Rivières begin its operations?

2. How many employees are on the staff of that office?

3. So far, how many employments did that office provide for the unemployed?

4. How many interviews were granted?

5. How many persons who are now under training have benefited from federal maintenance allowances?

6. What area is now under the jurisdiction of the federal manpower office at Trois-Rivières?

7. What is the name of the manager of that office?

8. When was he officially appointed to that position?

[*Translation*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. The original employment office was opened in June 1941 under the Unemployment Insurance Commission. On 1 April 1965 the responsibility for its function was transferred to the Department of Labour and physical separation of premises from the Unemployment Insurance Commission took place in October 1965. On 1 January 1966 this office came under the jurisdiction of this department and is now called Canada Manpower Centre.

2. 32, as of 22 November, 1967.

Questions

3. Total number of placements since January 1, 1967 was 8,300. No separate count is kept for placement of unemployed people.

4. 37,550.

5. 255.

6. A 10 to 20 mile wide strip along the St. Lawrence from Yamachiche to Ste. Anne de la Pérade on the north shore and a large part of Nicolet County on the south shore.

7. Roger Bertrand.

8. November 1, 1967.

[*English*]

MINIMUM STANDARDS IN DRUG PRODUCTS

Question No. 712—**Mr. Thompson:**

1. Does the food and drug directorate maintain the desired standard minimum requirements for different products containing the same equivalent of drugs?

2. If so, how are the required minimum standards maintained in drugs manufactured in Canada and sold to the Canadian public?

3. Has there been recently an evaluation of brands of phenylbutazone tablets and, if so (a) how many brands were evaluated (b) how many brands failed to meet minimum requirements of the regulations appended to the Food and Drugs Act (c) was there a substantial difference in the brands which failed to meet the requirements of the regulations (d) was it found that such brands reacted differently within the human body?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. Yes.

2. The standards are maintained by manufacturers and are checked periodically by the food and drug directorate of the Department of National Health and Welfare for conformity.

3. (a) Yes. Sixty-three sample tests representing 20 different brands of phenylbutazone dosage forms were performed during the period January 1966 to November 1967. (b) There were six cases where a product failed to meet requirements. (c) Yes. Of the six cases, three showed substantial differences from the requirement. (d) No clinical tests were done within the Department of National Health and Welfare.

ROADS TO RESOURCES GRANTS

Question No. 731—**Mr. Germa:**

1. Are grants still available under the roads to resources program?

2. If so, what are the criteria for establishing qualification for such a grant?

3. Does construction of an access road to Laurentian university in Sudbury, Ontario, come within the ambit of the criteria referred to?

[Mr. Munro.]

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. No. All moneys under the roads to resources program are now spent or committed.

2 and 3. Answered by 1.

QUESTION PASSED AS ORDER FOR RETURN

PUBLIC ACCESS TO WHARVES OR DOCKS

Question No. 425—**Mr. Schreyer:**

1. Are there any government of Canada wharves or docks to which public access is restricted by any legal order?

2. If so, what is the location of such wharves or docks and by what level of government was the restriction enacted?

Return tabled.

[*Translation*]

EXTERNAL AFFAIRS

ACTIVITIES OF PRIME MINISTER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, after having proposed my motion, I wonder now whether you will allow me to put forward my arguments as to the urgency of this debate.

First of all, as required under paragraph (3) of standing order 26, I should like to hand over to you a statement of the matter I propose to discuss. Here it is, Mr. Speaker.

Monday morning, in London, as he was going to be awarded the freedom of the city, the Prime Minister (Mr. Pearson) saw fit to depart from every Canadian custom by meddling in an inadmissible manner with internal political matters involving England and France, and by seeking to dictate to France a political line of action.

I should like also, Mr. Speaker so as to support my argument and show the urgency of this debate, to repeat the sentence which the Prime Minister used yesterday in this house when he said:

> Indeed, Mr. Speaker, in this case it is intolerable that a head of a foreign state or government should recommend a course of political or constitutional action—

And I could add: which would undermine the common market. The hon. member for Villeneuve (Mr. Caouette) used the same sentence.

Mr. Speaker, to continue the statement of facts—

Mr. Speaker: Order. The hon. member must state the facts which speak in favour of an immediate debate. He cannot state the facts as he would do if a debate had been allowed.

What matters, at this time, is to determine whether there is an urgency of debate, that is, if the debate suggested by the hon. member should take place today rather than tomorrow or another day.

Mr. Grégoire: Very well, Mr. Speaker. I maintain that the debate is urgent and should be held today because there is in Canada, at the present time, a growing aversion for the interference of the Prime Minister of Canada (Mr. Pearson) in the affairs of another country.

To wit, the editorial in this morning's *Le Devoir* and the editorial in today's *La Presse* in which the Prime Minister is clearly and categorically blamed for having interfered inadmissibly—

Mr. Speaker: Order. I feel the hon. member is not dealing at all with the matter of the urgency of debate but that he is giving instead, the speech he would give to the house if the motion were accepted. I suggest to him that he should not continue along those lines.

Mr. Grégoire: Mr. Speaker, I suggest we have a debate immediately before the escalation of the expected quarrel between our two motherlands, France and England, which will have been willed by the Prime Minister of Canada.

Mr. Speaker: Order. I have listened with the utmost patience and goodwill to the remarks of the hon. member and I cannot truly believe that the point he raises justifies the adjournment of the business of the house to discuss his grievance. There will be other opportunities in the next few days. It is expected that discussions of a general nature will probably arise before next weekend and the hon. member will then have the opportunity to speak of the grievance he has just raised.

Mr. Grégoire: Mr. Speaker, may I now, in one simple sentence, put forward my key argument on the urgency of debate.

Mr. Speaker: Order. The hon. member seems to have given all the key arguments but he has failed to open the door to the debate.

Some hon. Members: Hear, hear.

Mr. Grégoire: There is one left.

Motion for Papers

MOTION FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, would Your Honour be kind enough to call motion No. 33?

I ask that the remaining notices of motions be allowed to stand.

[*English*]

REPORTS ON HARP PROJECT

Motion No. 33—**Mr. Harkness:**

That an order of the house do issue for a copy of reports which have been made to the government on the HARP project, and in particular those made by Dean Ruptash of Carleton University and by Mr. Brightwell of the defence research board.

He said: I had a brief discussion with the minister in connection with this motion and I ask that it stand until that discussion has been completed.

Motion stands.

POLLUTION

SUGGESTED REFERENCE TO DOMINION COUNCIL OF HEALTH

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to address a question to the Minister of National Health and Welfare. In view of the danger of air pollution and the urgent need of action to deal with it, would the minister consider referring this whole subject to the Dominion Council of Health for study and a report, with recommendations, to the federal government?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): As I indicated yesterday, this whole question was considered at the recent conference of the Dominion Council of Health. A number of recommendations were developed at that meeting, and these were communicated to me recently.

Mr. Starr: A supplementary question to the Prime Minister. In the light of those recommendations would the right hon. gentleman and his colleagues consider taking some immediate action?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. The minister will be bringing them before his colleagues without delay.

Inquiries of the Ministry

CANADIAN CONSTITUTION

INQUIRY AS TO CONSIDERATION BY PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Prime Minister. In view of the discussions which are taking place at the Confederation of Tomorrow conference, and since the federal government itself is convening a conference to be held early in the new year, will the Prime Minister now consider the suggestion we have been making for some time that a special all-party committee be set up to look into this situation and endeavour to reach a consensus as to what constitution might best serve the needs of our time?

Right Hon. L. B. Pearson (Prime Minister): I have already stated my opinion that at an appropriate time a committee of this house should be looking into this matter. I am not sure whether it would be advisable for this to be done before or after the proposed meeting, but I would be glad to look into that.

Mr. Douglas: In view of the fact that positions are hardening in various parts of the country does not the Prime Minister think it would be advisable for parliament itself to give some leadership to these public discussions?

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

[*Translation*]

HOUSE OF COMMONS

APPLICATION TO STAFF OF BILINGUAL BONUS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would like to direct a question to the Prime Minister.

Since this government or parliament has approved a bonus of 7 per cent for bilingual civil servants and many civil servants have complained to me that they have not received this 7 per cent bonus, is the Prime Minister in a position to tell us when the bilingual employees of the federal parliament will receive this 7 per cent bonus?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I will be glad to look into this matter and discuss it with the President of Treasury Board. I believe, though, this is rather a matter within the jurisdiction of the Speaker. I shall be glad to talk with Your Honour about it also.

[*Translation*]

Mr. Caouette: Mr. Speaker, may I ask a supplementary question.

Normally, does this legislation cover parliament employees?

Mr. Speaker: Order. I do not think the question is in order.

[*English*]

SHIPPING

SURCHARGE ON FREIGHT RATES THROUGH ST. LAWRENCE PORTS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): My question is addressed to the Minister of Labour. While expressing pleasure at the improved situation in the St. Lawrence ports, I would ask the minister whether, with this improvement, he can report on the possibility of a rapid removal of the 25 per cent surcharge on freight rates through those ports.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am very sorry I cannot give an encouraging reply to the hon. member. I am happy to inform the house, however, at least those members who do not know it, that productivity on the Montreal docks yesterday afternoon reached the level which obtained before the Picard report was made. However, there are proceedings pending in the courts. An appeal has been taken against the interim injunction issued on Monday, and until the litigation is over it would be impossible to take any effective action, much as I might like to, along the lines suggested by the hon. member for Okanagan-Revelstoke.

NATIONAL REVENUE

POSSIBLE ESTABLISHMENT OF BOARD OF REVENUE COMMISSIONERS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. Was the Minister of National Revenue expressing the view of the government when he said in Montreal last night that he favoured the establishment of a board of revenue commissioners to administer all federal taxes? If so, when does the government expect to establish such a board?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the minister himself will be glad to reply to this question.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker—

Mr. Speaker: Order.

Mr. Benson: —I was simply expressing my own opinion.

Mr. Speaker: I wonder if it is in order for the minister to reply. The hon. member asked the question correctly. He can only refer to speeches made by ministers outside the house to ask if they represent government policy.

Mr. Hees: Yes, Mr. Speaker. I believe I have the right to ask the Prime Minister if the minister was expressing the view of the government. I have asked that, and I would appreciate an expression by the Prime Minister.

Mr. Pearson: I would be very glad to look into the matter, Mr. Speaker.

TRANSPORT

REQUEST FOR COMMITTEE CONSIDERATION OF REPORT ON ATLANTIC PROBLEMS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister indicate whether he is now in a position to inform the house of his decision on referring the special study on transportation in the Atlantic provinces to the committee on transportation and communications? If not, can he say when we might expect a decision in this regard?

Hon. Paul Hellyer (Minister of Transport): Not today, Mr. Speaker, but the matter has been under very active consideration since my hon. friend raised the question and followed it up later with a letter to me.

AIR TRANSPORT

TORONTO—REFUSAL OF LANDING RIGHTS TO ROYAL DUTCH AIRLINES

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, may I direct a question to the Minister of Transport. It arises out of the current dispute over the bilateral air agreement between The Netherlands and Canada. If the Department of Transport is reluctant to open up the Toronto market to K.L.M., the national Dutch air line, would the minister consider recommending that landing rights be made available to K.L.M. at Winnipeg and other regional airports in Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I think this is a policy question sufficiently important and complex that it would not be appropriate to discuss it during the question period.

Mr. Sherman: As a supplementary question, Mr. Speaker, could the minister assure the house that the question I have asked, and the ramifications of such a question, are under consideration by his department?

Mr. Hellyer: Well, Mr. Speaker, I did not want to offend my hon. friend in any way, nor my good friends in Winnipeg, but I have no information from the Dutch government that they would consider Winnipeg as an alternative to Toronto. I will be glad to pose this question to them, but with deference to that city I think it is the great queen city of Ontario, which I have the honour to represent in this house, where they are most interested in obtaining landing rights at the present time.

FREIGHT RATES

REQUEST FOR REDUCTION ON LIVESTOCK SHIPPED TO EASTERN CANADA

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, may I direct a question to the Minister of Transport. Has he or the Minister of Agriculture done anything to assist in bringing together the railroads and the men who ship livestock to eastern Canada, in order to bring about a more realistic freight rate than the one which prevailed last summer and fall?

Hon. Paul Hellyer (Minister of Transport): The answer is yes, Mr. Speaker.

Mr. Horner (Acadia): If the answer is yes, could the minister inform the house what action is being taken and when we can expect a reduced rate?

Mr. Hellyer: I would be glad to refer that question to the railroads, Mr. Speaker.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

VANCOUVER—EMPLOYMENT OF ONLY RIGHT HANDED TEMPORARY HELP

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to ask a most urgent question of the Postmaster General, but in view of the fact that apparently he has not recovered from last night may I direct my urgent question to whoever is the acting postmaster general. Can the house have an explanation as to why, on the call for temporary help with the Christmas post office expanded business in Vancouver, only right handed persons need apply as sorters? Have left handed people no rights in this country?

Hon. Judy V. LaMarsh (Secretary of State): I am, as I am sure every member of this house is, absolutely shocked at this kind of discrimination against those of the left. I will be happy to take it up with my hon. friend the Postmaster General.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, could I direct this question to the Registrar General because of his interest in the proposed department of corporate and consumer affairs. I should like to ask him whether it is his intention to review the proposed increase in dentists' fees and make an appropriate report to the house about it, after determining whether there has been a concomitant increase in productivity as well.

PARLIAMENT HILL

INQUIRY AS TO MAINTENANCE OF CENTENNIAL FLAME

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Prime Minister. I should like to ask him whether the government will keep the centennial flame on parliament hill burning after the end of the year as a symbol of Canadian unity.

Mr. Speaker: Order. This does not appear to me to be an extremely urgent matter.

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

[Mr. Hellyer.]

[*Translation*]

CANADIAN CONSTITUTION

INQUIRY AS TO REPORT ON MONTREAL MEETING

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a question to the Prime Minister?

After the recent session of the Estates General of Quebec and French Canada, can the Prime Minister tell the house whether the observers sent by his party have reported to him about the resolutions agreed to?

Mr. Speaker: I do not think that the question is acceptable.

Mr. Allard: I rise on a point of order, Mr. Speaker. Why is such an important question not acceptable?

Mr. Grégoire: On a point of order, Mr. Speaker.

Precedents in this house have always shown, on many occasions over the last several years, that it is permissible to ask the Prime Minister if he has received a report. The hon. member for Sherbrooke (Mr. Allard) did not go any further. He only asked if the observers had submitted a report.

Mr. Speaker: Order. The report requested must be related to a subject coming under the administrative responsibility of the government.

I do not think that the Quebec Estates General come under the administrative responsibility of the Prime Minister.

[*Later:*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, may I put a question to the Postmaster General?

I know that the Postmaster General attended as an observer the sittings of the Estates General over the week-end and did so magnificently. He even acted as a referee in a clash between—

Mr. Speaker: Could the hon. member put his question?

Mr. Asselin (Charlevoix): Mr. Speaker, I said that he had been a good observer and I should like to know from the minister if the conclusions of this meeting will lead him to recommend to the cabinet the creation at the earliest possible time of a parliamentary committee for the purpose of considering all

the problems of French Canadians in Quebec and outside?

Mr. Speaker: Order, please. The hon. member is aware that be can question a minister only as concerns his administrative responsibilities.

[*English*]

FINANCE

TAX INCENTIVES TO ENCOURAGE GREATER PRODUCTIVITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address this question to the Minister of Finance. Can the minister advise the house when he expects to make the long promised and long awaited statement in respect of what the government plans to do by way of measures to induce greater productivity in this country?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have made many speeches on this subject and have made many statements in the house. I shall be very glad to get together a collection of them to give my hon. friend so he can entertain himself.

Mr. Hees: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order. I suggest with respect that what the hon. member is asking now is for a very general statement, which should normally be made by the minister on motions.

Mr. Hees: Then, Mr. Speaker, may I ask the minister whether he will take the first opportunity on motions. I have read every speech he has made—

Mr. Speaker: Order.

Mr. Hees: —and he has yet to make any suggestion about—

Mr. Speaker: Order.

PRIVILEGES AND ELECTIONS

ELECTION EXPENSES—INQUIRY AS TO LEGISLATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the time which consideration of such legislation is bound to take, will the Prime Minister inform the house whether legislation regarding election expenses flowing from the committee report on this subject is being or has been prepared, and when the house may expect such a bill to be introduced?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I know how important this bill will be and I wish it could be introduced this session. However, I think it will have to be introduced next session, at which time I hope it will get through without undue delay, giving us lots of time to have it in effect before the next election.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether the answer he has just given means that the report of the committee on election expenses is not going to be referred to the house committee during this session, as was promised in the speech from the throne?

Mr. Pearson: That is a different question, and I hope that can be done. My hon. friend asked me a question about a bill based on the report.

NATIONAL DEFENCE

REQUEST FOR ORGANIZATION OF HOUSE COMMITTEE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in his capacity as house leader. Will the minister arrange to have some matter referred to the committee on defence so it can be organized? I ask this in view of the answers to questions by the minister to the effect that a joint meeting of the committees on national defence and external affairs may be undertaken.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I should be glad to discuss this suggestion with the Minister of National Defence.

[*Translation*]

LABOUR CONDITIONS

CALGARY—LAYOFFS RESULTING FROM CONSTRUCTION DECLINE

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, yesterday the hon. member for Calgary North (Mr. Harkness) asked if we could find some

employment for the persons laid off by the Alberta Trailer Company, of Calgary.

This company, Mr. Speaker, which usually employs 800 persons has laid off 175. We were in a position to find some employment for them in Fort McLeod, in Claresholm and also in Wetaskiwin.

Unfortunately, I do not have any specific figures at the present time, but as soon as I receive a complete report, I will advise the hon. member.

[*English*]

OIL

REPORTED APPROVAL OF PIPE LINE INTO CHICAGO AREA

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, and it is obviously important. In light of the imminent announcement by the United States federal power commission approving the interprovincial pipe line into the Chicago area, can the minister indicate the volume of oil expected to be dropped off in that area?

Mr. Speaker: Order, please. In view of the fact that the hon. member is asking for technical or statistical information I would not think this is the type of question which can be asked now.

FISHERIES

INQUIRY AS TO CONFERENCE ON LAW OF THE SEA

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to address my question to the Secretary of State for External Affairs. Has he received from the Soviet union or any other country a request for another international conference on the law of the sea, in order to reach agreement on territorial seas and fishing limits?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there have been some discussions with particular countries about a conference on matters relating to the law of the sea including conservation of fishery resources. I cannot say we have as yet received a request along the lines my hon. friend suggests.

Mr. Crouse: In view of that answer, is the minister in a position to inform the house whether Canada would agree to such a request, and will pursue the idea of holding such a conference?

Mr. Speaker: Order, please. I suggest to the hon. member that the question is hypothetical.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, my supplementary question arises from the fact that some straight base lines have been proclaimed on the Atlantic coast. I should like to ask the minister whether, in the interests of promoting national unity, this will be extended to the Pacific coast soon, shortly or in due course?

Mr. Martin (Essex East): I will give careful consideration to that thoughtful question.

BRITISH COLUMBIA—PROVISION OF EMPLOYMENT FOR HERRING FISHERMEN

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question related to the question just asked, which I should like to direct to the Minister of Labour or the Minister of Manpower and Immigration. Have representations been received from fishermen on the Pacific coast urging the government to do what it can to find new employment for the herring fishermen who have been displaced by the curtailment of their operation?

Mr. Speaker: Order, please. While I realize that this may be an urgent matter, the hon. member may not ask only whether a communication has been received.

Mr. Mather: Let me rephrase my question. What action is the government taking to meet the serious unemployment situation facing herring fishermen in British Columbia?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, during a recent visit to the west coast I met the vice president and other members of the executive of the fishermens' union concerned with this matter. They made representations, several of which seemed to have some merit, to the effect that at least some of the herring fishermen might be engaged in fishery research work on the west coast. Pursuant to the assurance I gave them at the time, I have discussed this with my colleague the Minister of Fisheries. In turn this has been taken up with his deputy minister, who has had broad research experience in this field on the west coast. I am awaiting with interest further word from them.

FINANCE

INQUIRY AS TO PAYMENT OF REFUNDABLE CORPORATION TAX

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I should like to address a question to the Minister of Finance in connection with the fund accumulated by the government from refundable corporation taxes. Have any refunds been made in this regard, and does the minister intend to make refunds this year to the extent promised in the June budget speech?

Mr. Speaker: Order, please. I would think that question should be placed on the order paper.

LOANS BY BANKS UNDER FARM IMPROVEMENT ACT

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I also have a question for the Minister of Finance. Is he contemplating special action to get the Farm Improvement Loans Act operating effectively?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I think the Farm Improvement Loans Act is operating quite effectively, although I have no doubt I will in due course be saying something about necessary revisions to the act in order to bring it more into line with present conditions.

Mr. Lawrence E. Kindt (Macleod): A supplementary question, Mr. Speaker. In view of the minister's answer I would ask him if he is aware of the situation with regard to farm improvement bank loans; and has he tried to obtain such a loan?

MANPOWER

TORONTO—REPORTED DECREASE IN RETRAINING PROGRAMS

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the statement by the chairman of the board of education in Toronto during the weekend that the number of trainees in Toronto has dropped from 11,800 to 3,800, and the minister's undertaking that the program is only temporary, is the minister in a position to revise this program so the citizens of the city of Toronto may get a better deal in respect of retraining?

Mr. Speaker: Order, please. It seems to me this question was asked previously, I think yesterday particularly.

INDUSTRY

COPPER—PRICE INCREASE BY INTERNATIONAL NICKEL COMPANY

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I should like to direct my question to the Minister of Finance. In view of his recent announcement of an investigation into the increase in the price of copper by Noranda and Hudson Bay Mining and Smelting, will he also consider putting the International Nickel Company in the same category, as it has also announced an increase?

Mr. Speaker: Order, please. I think the hon. member is now making an observation.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INTRODUCTION OF AMENDING LEGISLATION

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 now very few government items on the order paper, after the good progress we made last night, will the minister revise his answer of two days ago about unemployment insurance and bring that legislation before the house in this session?

Hon. J. R. Nicholson (Minister of Labour): I am afraid not, Mr. Speaker, because I am confident that the list of priority items will be refreshed and extended considerably tonight.

EXTERNAL AFFAIRS

EFFECT OF REPORTED RESIGNATION OF U.S. SECRETARY OF DEFENCE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct what I think is a very important question to the Secretary of State for External Affairs. In view of the close relationship between the governments of Canada and the United States as regards NATO and NORAD, can the minister give the house any information in his possession as to possible policy changes in view of the reported resignation of the secretary of defence of the United States?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker.

Inquiries of the Ministry

TRADE

ASSISTANCE TO INDUSTRIES AFFECTED BY GENEVA AGREEMENTS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Industry. When does the minister expect to be in a position to make the statement which he first promised me on September 27, and on several occasions since, regarding what the government plans to do to ease the impact on producers who are adversely affected by the Kennedy round tariff reductions?

Hon. C. M. Drury (Minister of Industry): My answer is the same as last time, Mr. Speaker.

Mr. Hees: Could I ask the minister a supplementary question, Mr. Speaker. Does this mean that he will continue to say "soon", "soon", "soon" every two or three weeks, as the other members of the government so often do?

Mr. Speaker: Order, please.

Mr. Hees: This is the old arrogance.

DEFENCE PRODUCTION

INQUIRY AS TO TENDERS FOR DESTROYER ESCORTS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is to the Minister of Industry. I ask, what is the present status of tenders for the new destroyer escorts? We were promised them this fall, and we are now getting dangerously close to Christmas.

Hon. C. M. Drury (Minister of Industry): I am sorry, Mr. Speaker, but I did not quite hear the question.

Mr. Forrestall: No wonder; you weren't listening. That is your fault.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Forrestall: I stood here and waited for the minister's attention, Mr. Speaker.

Mr. Speaker: Order, please.

Mr. Forrestall: When are we going to get our boats?

Mr. Speaker: Orders of the day.

[Mr. Martin (Essex East).]

CRIMINAL CODE

AMENDMENTS RESPECTING DEATH SENTENCE AND LIFE IMPRISONMENT

The house resumed, from Thursday, November 23, consideration in committee of Bill No. C-168, to amend the Criminal Code —Mr. Pennell—Mr. Rinfret in the chair.

The Deputy Chairman: Order. House again in committee of the whole on Bill No. C-168, to amend the Criminal Code. When the house rose on Thursday, November 23, clause 2 of the bill was under consideration. Shall clause 2 carry?

Some hon. Members: Carried.

On clause 2—*Approval by governor in council of release after commutation of sentence.*

Mr. Cowan: Mr. Chairman, I was asking some questions of the Solicitor General on November 23 when ten o'clock arrived and we were discussing clause 2 of this bill. I stated, as hon. members will find in *Hansard*, that I still had some questions I wished to ask on clause 2. Clause 2 reads as follows:

> Subsection (3) of section 656 of the said act is repealed and the following substituted therefor:
>
> "(3) Notwithstanding any other law or authority, a person in respect of whom a sentence of death has been commuted to imprisonment for life or a term of imprisonment or a person upon whom a sentence of imprisonment for life has been imposed as a minimum punishment, shall not be released during his life or such term, as the case may be, without the prior approval of the governor in council."

My first question to the Solicitor General is this. The clause reads, "a person in respect of whom a sentence of death has been commuted to . . . a term of imprisonment," and so on, evidently meaning less than life imprisonment. How many commutations have there been to less than life imprisonment in the case of convicted murderers sentenced to be hanged?

Mr. Pennell: To the best of my knowledge, Mr. Chairman, there have been no cases in which the person convicted of murder has had his sentence commuted to less than life imprisonment. However, my officials will be with me in a few moments and I hope then to be in a position to confirm this answer.

Mr. Cowan: I am interested in this question for the simple reason that when the Queen commuted the execution order against Lepine in Manitoba in the 1870's it was commuted to a term of two years plus the loss of

civil rights. Inasmuch as we have been advised that the cabinet itself pass on all paroles for people who have had their sentences commuted to life imprisonment after ten years in prison, I was wondering whether there were any convicted murderers who had been given commuted sentences of less than ten years. The problem then arises, when would they be referred to the cabinet for decision on whether parole should be granted. We have the Lepine case as a precedent. I ask that question in all sincerity.

Mr. Pennell: Mr. Chairman, I am advised by the officials that within the memory of persons working in the department now there has never been a case where a sentence of death has been commuted to less than life imprisonment.

Mr. Cowan: I am quite interested in this question, in view of the fact that the cabinet has been paroling convicted murderers after they have served a life sentence of eight years, ten months and one day, based on the figures produced in the House of Commons by the Solicitor General himself. Why do they have these words in the proposed bill, "or a term of imprisonment," not specifically life imprisonment? Are they now going to impose terms of imprisonment of less than ten years which would equal the eight years, ten months and one day of life sentences in the past 13 cases? Why is that phrase "or a term of imprisonment" put in this bill if there is no recollection of a convicted murderer having had his sentence commuted to less than a term of life imprisonment?

Mr. Pennell: The proposed clause 2 is drafted to meet the conditions set out in section 656 of the Criminal Code wherein it states:

> The governor in council may commute a sentence of death to imprisonment in the penitentiary for life, or for any term of years not less than two years, or to imprisonment in a prison other than a penitentiary for a period of less than two years.

I also wish to make it clear that I am not disputing the hon. member's statement that there have been cases where by commutation the sentence has been reduced to less than life. All I am saying is that my officials are not aware of any such case since they have been serving with the government.

• (3:20 p.m.)

Mr. Cowan: Mr. Chairman, I am indebted to the Solicitor General for having read the section of the law. It points out that the governor in council may commute a sentence to a period of not less than two years in penitentiary, which includes anything from a little more than two years upwards to ten years. The other day the Solicitor General advised us that an order in council had been passed to the effect that the cabinet could not consider paroling a convicted man under sentence of life imprisonment until he had served at least ten years of his life sentence. If a man sentenced to life imprisonment must serve ten years of his life sentence, is there no possibility of parole before the expiration of his term for the man who has been committed to a term of not less than two years nor more than ten, which is much less than life imprisonment? When does the cabinet consider the question of parole for him? If his commuted sentence is say eight years, does he serve the full eight years because the cabinet, we are told, is not to consider this matter until he has served ten years?

Mr. Pennell: Mr. Chairman, I would think it would be highly unlikely that the governor in council, having passed an order in council setting a minimum of ten years as the period to be served before a person becomes eligible for parole after receiving a capital sentence, would commute to less than ten years. It is not likely they would go contrary to the order in council passed in 1964.

Mr. Cowan: I may say I have seen the cabinet reverse itself in this very house in less than four hours. My only reply to the Solicitor General's statement is that it confirms his statement that this is a poorly drawn bill.

I should like to ask another question in connection with clause 2. We are told he shall not be released during his life or such term, as the case may be, without the prior approval of the governor in council. In answer to a question the other day the Solicitor General said such a case could not be referred to the governor in council until the ten years had been served. We who live in the province of Ontario and have children are very well aware of the fact a driver's licence can be issued to a young person at the age of 16. However, we have a regulation in the province of Ontario to the effect that when a child turns 15 years and 6 months he may be given a learner's permit. The idea is that during the six months between 15 years and 6 months and 16 years of age the child will be able to learn to drive a car on the public highways so that when he turns 16 years of age he will be able to get a driver's

licence. Everyone knows what a world that opens up to the young.

I should like to ask the Solicitor General this question. In view of the fact that anyone who is serving life imprisonment for murder may not be paroled until he has served ten years, will the cabinet demand that he serve ten years in full before the parole board considers hope of parole and then refer the matter to the cabinet for final decision or will the parole board be given instructions that after eight years, ten months and one day they had better start considering parole for this man who has been sentenced to life imprisonment? If they decide that he should be given parole, can he be sprung by the cabinet at the end of the tenth year of his sentence, rather than have the poor fellow languish in jail after having completed ten years and then have the parole board consider the matter and then refer it to the cabinet? Under circumstances such as those, the poor devil might be in prison as long as 12 years because it may take the parole board and the cabinet two years to come to a decision to spring him. Will there be a provision such as exists in Ontario for young drivers which will enable the matter to be settled before the ten years are up so that the man can be sprung by the cabinet at the end of the tenth year or will he have to serve his full ten years before the matter of parole can be considered?

The other day I mentioned to the minister of immigration that we have a highly moral society. We keep European thieves out of this country so they will not be a blemish on our moral picture, but we parole convicted Canadian murderers amongst the people so that we can not only rehabilitate them but perhaps they will rehabilitate us. The question is, when will the parole board start considering the question of parole for this man, before the ten years are up so he will not have to serve one extra day beyond ten years, or will the board start considering the matter at the end of ten years imprisonment?

Mr. Pennell: Mr. Chairman, the National Parole Board is an autonomous body. This government, and I am satisfied all other governments, have scrupulously respected the integrity of the board. No matter of parole is brought to the attention of the governor in council until the parole board takes the initiative. If the parole board reaches the conclusion that the case is not one for parole, the governor in council hears nothing of it. If they feel favourably inclined toward the case, then it is forwarded to the office of the Solictior General who in turn brings it before his colleagues in cabinet.

Mr. Cowan: Mr. Chairman, I have just one more question on clause 2. We are told this person shall not be released during his life or such term, as the case may be, without the prior approval of the governor in council. Is this a threat or a promise? Is it a promise that he will be sprung at the end of ten years or is it a threat that the cabinet, in all seriousness, in the certain way in which they consider every problem of the day, will dwell on the problem of parole for months and months so that he will have to fear inactivity on the part of the cabinet in connection with something which he hopes from this cabinet which has let people out after eight years, ten months and one day? Again I ask, does that phrase, "without prior approval of the governor in council", hold out a hope, a promise or a threat for the prisoner?

Mr. Pennell: Mr. Chairman, perhaps it would be helpful if I pointed out that in non-capital cases the question of parole is exclusively within the jurisdiction of the National Parole Board and does not come to the governor in council. It is only in capital cases where the sentence has been commuted that the matter is referred to the cabinet. This new clause will make it necessary for all cases, both capital and non-capital, to be referred, and parole shall not be granted unless there is approval by the governor in council in addition to the approval of the National Parole Board.

Mr. Howard: Mr. Chairman, I just want to express a thought or two about the intention of the clause before us. I say at once that I do not know what the percentage figure is in connection with rehabilitation. In other words, I cannot say how many individuals who, having been convicted of a crime and sentenced, have successfully undergone rehabilitation. We talk in terms of 70 per cent or 80 per cent being recidivists, so presumably 20 per cent or 30 per cent represents the degree of success. These figures include criminals generally and not particularly those people who may have committed capital or non-capital murder.

I am quite sure that if during the time our penal system has been in existence we had followed the philosophy advocated by the hon. member for York-Humber we would undoubtedly be in a deficit position with respect to rehabilitation. I do not care to

comment any further on the hon. member's remarks or upon his antediluvian concept except to say that we should be appreciative of the fact he is here and is not working as a guard or a warden in a penitentiary because the situation would then be disastrous.

I am not supporting the clause that is before us at the moment. Neither am I partial to the existing situation. As I understand it, when the governor in council makes a commutation the individual in question cannot be paroled without prior approval of the governor in council. The provision before us at the moment is mandatory. There is no necessity for including such a provision in the terms of commutation because it is clear that the governor in council must approve in each instance the parole of a prisoner who has had his sentence of death commuted either to life imprisonment or to some other term.

• (3:30 p.m.)

As I understand what the Solicitor General said a moment ago in reply to a question put to him about the integrity of the parole board members, the parole board does all of the case work in any event, which I think is as it should be. The parole board was established to deal specifically with the circumstances surrounding individuals, to investigate the manner in which individuals conduct themselves while in prison, situations with which they may be confronted while on parole, areas to which they may go, conditions at home, and all the other sociological factors which may have some impact on these individuals in cases of parole.

The parole board carries out the same function in regard to people who have been convicted of capital or non-capital murder and sentenced to life imprisonment. Therefore it would seem to me that it would impose an additional burden on the cabinet if they were called upon to deal with each individual case. I would think the cabinet would have neither the time nor the concern to do so. The Solicitor General may indeed have concern as an individual member of the cabinet, first because of his interest and second because as minister he is charged with the responsibility of overseeing the activities of the penitentiaries service and the parole board. However, by and large I would say that the cabinet members in total would not have the degree of interest and concern necessary to give a fair and judicious opinion in a particular case presented to them by the Solicitor General.

I suggest that all that would happen in fact would be that the parole board would examine the case and make a recommendation and then the recommendation would come to the cabinet. The cabinet would not be concerned enough to bother making an extensive inquiry whether or not the parole board's recommendation was correct. The parole board would not be represented at cabinet meetings and subjected to questioning on each individual case, and in any event I do not think they should be required to be present. Therefore we are perhaps imposing a burden upon the cabinet that it is ill-equipped to carry out. It would be unwise, in my opinion, to make a political body responsible for such decisions. This is the function we generally give to the parole board. I do not think that the cabinet should be made responsible for making parole decisions with regard to a particular group of people who commit a particular type of crime.

In my opinion the cabinet should endorse the recommendation of the parole board. The cabinet has faith in the integrity of the parole board and in accepting the board's recommendation the cabinet does not become involved in the matter. This will mean that the cabinet is not involved in hue and cry if the parole board has made a decision which perhaps was not what was hoped for.

I do not think the parole board should be composed of politicians, first because of the fact that they are politicians and, second, because they do not have the time or the individual interest, I am sure, to go in detail into each situation. The matter should be in the hands and under the jurisdiction of the parole board. The board was set up with certain guide lines, mechanisms and procedures for granting parole and I submit that the board should be allowed to follow that machinery in cases of capital and non-capital murder as it does in cases involving other crimes.

I do not intend to vote against the clause before the committee, Mr. Chairman, because this would be an indication that I was on the other side and was in favour of the provision already in the legislation. In other words, I favour neither provision, so I would just as soon refrain from voting on this clause and express my disagreement with it orally.

However, if the matter is to be put to a vote I submit that the law as it now stands is a little better than the provision before us. The present law is at least permissive. It permits the governor in council to make a direction in cases of commutation, and I

think it is preferable that the governor in council and the cabinet have this leeway so that they can, if they wish, make no direction. The clause before us is not discretionary; such a course of action is automatic and applies not only to cases where the sentence of death has been commuted to life imprisonment but also to sentences of life imprisonment.

Clause agreed to.

On clause 3—*Transitional.*

Mr. Knowles: Mr. Chairman, I should like the Solicitor General to tell the committee why paragraph (a) of clause 3, subclause 1, was included in the bill. If I understand paragraph (a) correctly, it seems that cases of alleged murder already before the courts or cases in which proceedings have been commenced before, this act comes into force are to be proceeded with as if the law is that which existed before this bill passed. This would mean that if in cases already commenced but which will not actually come to trial for a few months the accused is found guilty of capital murder, the judge is called upon to sentence the accused to death.

• (3:40 p.m.)

It strikes me as rather strange that we would call upon our courts to pass such sentences, parliament having made the decision that it does not favour the application of capital punishment except in two restricted cases. I find it hard to believe that the cabinet would countenance a death sentence when parliament has decided against capital punishment. Where a death sentence has been passed I should think that commutation would be almost automatic. It it not a farce, then, to ask judges, juries and courts to handle capital cases in the next few months as though the law had not been changed? Since parliament has made its decision about capital punishment and since in all likelihood the cabinet will commute any death sentence, will it not be a bit of a farce for a judge to put on his black gloves and so on and sentence a man to death at any time during the next two or three months?

I think that the Solicitor General and I are on the same wavelength about what ought to be done. I want to know why this provision is to continue in force. It seems to me that clause 3(3)(a) ought to be eliminated and clause 3 ought to be redrafted. I am not proposing an amendment. I am merely saying that this provision ought not to be in this bill.

[Mr. Howard.]

Mr. Brewin: Mr. Chairman, while the Solicitor General is thinking of the answer to my hon. friend's question it might be appropriate for me to add a word to what the hon. member for Winnipeg North Centre has said. It seems to me, in the situation he has drawn to our attention, that our judges, juries and courts will be placed in a false position so far as the law is concerned. The hon. member for Bow River in general terms, when speaking on an earlier amendment, spoke about the mockery of the administration of justice. Parliament has changed the law. For parliament, through the provisions of clause 3(1)(a), to call on a judge to pronounce a solemn sentence of death, in the light of the change in the law, is to make a mockery of the administration of justice and to bring it into disrepute. The death penalty is not the appropriate penalty in such circumstances.

With the hon. member for Winnipeg North Centre, I urge the Solicitor General to reconsider this matter. What is the administrative difficulty of making the new law applicable at a certain date? The new legislation ought to apply to all capital murder trials that take place after that date. We ought not to tolerate the present situation where charges may have been laid and where the accused may be tried with the old law still being applicable.

[*Translation*]

Mr. Asselin (Charlevoix): Mr. Chairman, I would also like to say a few words about subclause (3). I should appreciate it if the minister would indicate to the house and to all Canadians the meaning of commutation of the death penalty.

The legislation provides in general that, in the case of an individual sentenced to life imprisonment, the governor in council may reduce the term of imprisonment, further to a report to this effect from the National Parole Board.

The public—as I came to realize during the week-ends I spent in my riding—was asking this very question. They wanted to know, in the case of an individual sentenced to life imprisonment, what standards and criteria the minister will use to commute his sentence.

Will the minister have to rely solely on the reports of the parole board or will he try to set up another organization which would review the recommendations submitted by the board to the cabinet?

I know that the parole board performs a tremendous task. Its members are only

human and make mistakes sometimes, but I feel, when the life sentence of a dangerous criminal is to be reduced by ten or fifteen years, that the minister should take every precaution to ensure that its decision is not detrimental to society in general.

I should like to know whether the minister will maintain the National Parole Board as it now stands and whether he will accept the recommendations of the board on the commutation of the sentence of someone who is sentenced to life imprisonment.

I should also like to know whether the minister intends to alter the organization of the National Parole Board or if he will set up another body to reassure the public that the recommendations of the board have been seriously considered in depth, because I know the minister cannot go into all the details when he is asked for parole. He must rely on the parole board and it is impossible, even inhuman, to ask the minister to consider all the details in order to make an objective recommendation to the cabinet.

I should also like to know whether the minister intends to check in detail and in depth the recommendations of the National parole board and what criteria he will use as a basis for his recommendations to the cabinet for a commutation of sentence for someone sentenced to life imprisonment.

[*English*]

Mr. Pennell: May I deal first with the question raised by the hon. member for Charlevoix. I had some difficulty in following his remarks through the translation system, but the matter of commutation falls exclusively within the jurisdiction of the governor in council and does not fall within the powers of the National Parole Board. These powers will remain unchanged so far as commutation is concerned. I shall propose some changes to the Parole Act in the omnibus amendments to the Criminal Code when that bill is presented. That, I hope, will be some time during this session. I am not at liberty to go into details with respect to the proposed amendments. Basically the powers of the National Parole Board remain unchanged notwithstanding the proposed amendments.

Coming now to the question raised by the hon. members for Greenwood and Winnipeg North Centre, I must compliment them for seizing quickly on an apparent inconsistency in the bill. When I saw that clause in print for the first time I thought it would entail problems. Clause 5 and clause 3 are complementary. We hope that by taking action under clause 5 when this bill becomes law it will not be necessary to take action under clause 3. Before the bill is proclaimed we hope to notify all appropriate authorities across the country so that they do not commence trials until the legislation has been brought into force. Should it be that a trial is under way, it is possible that the trial could be pending when we proclaim the legislation. In that case it is proposed that the trial continue as if this legislation had not come into force. The rules of evidence and the conduct of the trial are not changed by the proposals in this bill. Only the sentence is affected, and in the event of the death sentence being passed it would be necessary for the governor in council to commute it. We feel this is not likely to occur, but the possibility does exist.

• (3:50 p.m.)

Mr. Brewin: May I ask the Solicitor General what interpretation he places on the word "proceedings"? From the way he spoke it sounded as though he thought "proceedings" was the same as "trial". I had thought that proceedings might be initiated by the laying of an information or by indictment at some time well ante-dating the trial and that the effect of subclause 3 would be that if proceedings were initiated today, for example, by the laying of a charge or the preferring of an indictment, then the old law would apply to the trial even though the trial might not take place until two or three months hence. This is the problem we foresee. Perhaps it could be dealt with by changing the word "proceedings" to "trial".

Mr. Churchill: I wonder whether the minister will give some thought to this suggestion. I am speaking now of clause 3 (1) and I suggest we strike out everything after the word "Act" in line 5 down to line 21, put the word "and" in place of the word "where" and leave the rest of it in. We would then be left with what I think the minister would like to see. He wants to deal with proceedings which have begun prior to the coming into force of this legislation and then with proceedings which commence after the coming into force of this measure. If my suggestion is adopted the operative lines would be from line 22 to line 30 and the punishment would then be in accordance with this bill.

You deal with proceedings started in advance of this bill, proceedings started after the legislation has come into force, and then you determine what punishment shall be imposed as though the crime had been committed after the coming into force of the act.

You get away from all this uncertainty. If there is some delay in getting this measure through the house or through the other place you may run into difficulties. But could the bill not be clarified by striking out the lines to which I have referred?

Mr. Nugent: I am not sure I followed my hon. friend from Winnipeg South Centre.

Mr. Churchill: I was very clear. My hon. friend should pay more attention.

Mr. Nugent: I hope my hon. friend will put forward an amendment for our consideration. As I see it, this is the difficulty in which we find ourselves as a result of the present wording of the bill. Suppose a man was accused of murder last April and the process of his trial is subject to a great many delays. His case would be subject to the provisions of the new act. On the other hand, a man accused of an offence on the same date whose trial had been expedited would be dealt with under the old law. I find it hard to persuade myself that punishment should depend upon the degree of expedition with which the courts have acted. Some murder trials are completed within a year. Others drag on for three or four years after the date upon which proceedings were first begun. Perhaps the criterion should be the date upon which the crime was committed. I cannot agree that the provisions of clause 5 make it practicable for the crown to cure this trouble arising from delayed proceedings. I think it will be almost impossible for the courts to examine past proceedings and make sure there is an equitable rule maintained in the interest of those who are now being tried.

Mr. Pennell: On the point raised by the hon. member for Greenwood and the hon. member for Winnipeg North Centre I should like to point out that subclause 3 of clause 3 refers to proceedings commenced upon the preferment of an indictment pursuant to part XVII of the Criminal Code. I am advised that in this circumstance the preliminary hearing would have ben concluded and that the present bill would not affect the preliminary hearing proceedings.

Mr. Knowles: Before the Solicitor General goes on to another point may I put a direct question to him? Are there any cases now at the stage where clause 3(1)(a) would apply, were the trial would have to be carried on under the old law and where the judge would pronounce sentence of death upon the prisoner, if found guilty, only to have that sentence automatically commuted?

[Mr. Churchill.]

Mr. Pennell: Unfortunately I am unable to give a satisfactory answer to that question. I do not know how many trials are under way at the present moment. But I can assure this chamber that should the bill carry and be sent to the other place we shall be watching proceedings very closely and alerting provincial attorneys general so as to avoid a situation where this act would be proclaimed in the middle of trial proceedings.

Mr. Knowles: In view of the clear intention of the Solicitor General, namely, that the attorneys general are to be advised, why should we not take care of this in the law? Why have a law which says something different from the clear intention of the government? As I read it the law is so worded as to say that it is possible for judges to pronounce sentence of death on people convicted of a crime for which parliament is now saying the sentence should be life imprisonment.

One other question. Is there any intention of making the date upon which the act comes into force retroactive? Does it have to be a date later than the date upon which the bill is passed?

• (4:00 p.m.)

Mr. Pennell: I am sure the house gave this particular point grave consideration, but notwithstanding all the precautions we take we cannot forecast the speed with which legislation moves through this chamber and through the other chamber. It is possible that if a trial were under way the responsible authorities might not wish to delay it. A trial may have reached its last moments. The jury might be out over midnight, and if the bill were proclaimed to come into effect on a certain day we might get into the situation that by the time the jury had returned its verdict the act would have come into effect. It is suggested that it is not advisable to change the ground rules of a trial once it is under way. It is for that reason that we propose coupling clause 3 with clause 5, hoping that this will avoid such an unusual situation.

Mr. Knowles: Will the minister go at least as far as to say that it is the intention that as from now on no trial will start on the basis of the old law?

Mr. Pennell: Our hope is that no trial will be commenced at a time when we expect the new act, if passed, to be proclaimed as being in force. I cannot engage in forecasting the political fortunes of this bill in another chamber, but of course I am very hopeful. I

cannot say to the various attorneys general: You should not embark on trials. The best I can do is to keep them advised of the progress of this bill so that they may take responsible action with regard to the holding of trials of this nature.

Mr. Nugent: I am still a little puzzled why the crown wants to complicate unduly the method by which the new rule will be brought into force. I can see that there will be lots of consultation with the various attorneys general throughout the country, and knowing how long some trials can be delayed I am satisfied in my own mind that a satisfactory method can be worked out by them. Would the Solicitor General tell us what is wrong with fixing an arbitrary date, based on the day that the bill comes into effect, rather than going through a cumbersome system that could be unworkable and at the very least difficult to manage? The crown can arbitrarily fix a date such as the date the house gave approval to the principle of the bill, and proceedings after that can then take their normal course, no matter how long. Would the Solicitor General be kind enough to deal with that problem?

Mr. Pennell: Mr. Chairman, I feel I ought to deal with the point raised by the hon. member for Edmonton-Strathcona. If I followed the hon. member correctly—if I did not, it was my fault because I was trying to speak with my officials—his suggestion was that we should conduct a trial according to the law in force at the time an offence was committed, and it seems to me that by doing so we would be coming to the same proposition as now proposed under clause 3. It would mean that if a capital offence were committed today and the person were convicted he would be sentenced to death. This is the same result as we would be reaching under clause 3.

Mr. Nugent: I did not say on a date fixed by proclamation. If the date were set as November 1 then the punishment for the offence of capital murder after that date, no matter when the trial may be held, would be life imprisonment, but this bill would have no effect on any offence committed before that date, no matter when the trial may be held.

Mr. Brewin: Mr. Chairman, I want to try once more to make my point to the Solicitor General. I do not think that what he said meets it. As I see it, the problem is not so much the case where a trial has actually commenced. I can understand that if the bill were likely to come into force it might well be possible to arrange to have a trial postponed until it actually does come into force, but I still ask the Solicitor General to consider the case where proceedings have commenced already by the preferring of an indictment.

The Solicitor General will be more familiar with these matters than I am. I understand it is possible to prefer an indictment after a preliminary inquiry and then have the trial postponed for one reason or another for a matter of months, certainly for a matter of weeks. If this legislation remains as it is now drafted, then although the act may be proclaimed the trial must take place, as I understand it, under the old dispensation. I suggest that instead of saying, "where proceedings in respect of an offence" the clause should state, "Where a trial in respect of an offence was commenced". A comparable amendment would then have to be made in subclause 2, and possibly subclause 3 would have to be struck out.

This would make it clear that once the act came into effect any case would have to be tried under the new dispensation, the new definition of capital punishment, and perhaps a new indictment would have to be prepared. However, that would not tax the abilities of our crown attorneys unduly and it would remove the anomaly of which the hon. member for Winnipeg North Centre has spoken. I suggest it would be derogatory to the administration of justice to ask a jury, after this bill has come into effect, to proceed in accordance with a law that is no longer in effect and have the sentence of death imposed with all the macabre details that go with it, knowing full well that that is not the law of Canada as determined by parliament.

Mr. Cowan: Mr. Chairman, I was remaining in my seat feeling that possibly the Solicitor General was going to make some comments in answer to the hon. member for Greenwood, but as he has not risen I would like to speak on clause 3 of the bill and to refer to the points raised by the hon. member for Winnipeg North Centre and the hon. member for Greenwood.

• (4:10 p.m.)

I ask hon. members not to overlook the fact that this bill was introduced into the house on October 19, 1967, when it was given first reading, and that it was given second reading on November 9. As I explained on

second reading of the bill, many of us were amazed at the action of the cabinet in bringing it forward since this parliament of Canada in April, 1966, had declared in unmistakable terms that it wished capital punishment retained in this country. We are relying on the word of the Prime Minister of Canada that this parliament would be asked to declare itself once and for all on this question. This parliament declared itself once and for all on the question and stated that capital punishment should be retained. This was done in April, 1966. What happened? The cabinet had no intention of carrying out the will of parliament. It goes on commuting death sentences to life imprisonment and starts to parole persons with commuted sentences after eight years, ten months and one day.

There is no doubt that the cabinet enjoyed their position on the throne of mercy when they were commuting every death sentence imposed since they came to office in April, 1963. True enough, Shakespeare wrote that mercy "becomes the throned monarch better than his crown", that "it is an attribute to God himself; and earthly power doth then show likest God's when mercy seasons justice."

There can be no member of the cabinet but what must have enjoyed the sensation of having an attribute to God himself when he was extending mercy over and above the law of the land which had been endorsed by a free vote—and I said free vote—of the parliament of Canada in April, 1966. But it does seem to me that members of the cabinet must have been reading more of Shakespeare than "The Merchant of Venice" during the four and a half years they have been in office.

The Deputy Chairman: Order. I regret to interrupt the hon. member, but I do not think he should be making observations in general terms about the subject of the bill. He should be confining his remarks to the transitional aspects of this bill.

Mr. Cowan: Mr. Chairman, I am sure that if you and the other members of the house will pay attention to my remarks you will find that I am referring to clause 3 of the bill, because I intend to get down to clause 3 (1) (b) which reads, "Where a new trial of a person for the offence has been ordered". The new trial to which I will refer and up to which I am leading is the new trial ordered for Messrs. Schirm and Guenette, separatists in the province of Quebec. I happen to be leading up to that point and I will be commenting in a moment or two on the situation where a new trial of a person for an offence has been ordered as referred to in clause 3(1) (b).

The cabinet must have been finding that the attribute to God was embarrassing to them when they were extending mercy to the murderers of prison guards, the murderers of policemen, the murderers of children and the murderers of women, because Shakespeare wrote eloquently in "Timon of Athens", "It is necessary that he should die; nothing emboldens sin so much as mercy". I do wish that when people are talking about mercy being an attribute to God himself they would also bear in mind that Shakespeare wrote that nothing emboldens sin so much as mercy.

Mr. Chairman and members of the House of Commons, I do not like this bill. I have not hesitated to express my dislike. But I must say in no uncertain terms that I consider clause 3 (1) (b) to be the most nefarious part of the entire bill. Far be it from me to make any charges; I am not a lawyer. But I do not mind borrowing nice easy-sounding phrases when I find lawyers using them. I wish to borrow a phrase from the Solicitor General when he was speaking on second reading of this bill. I should like to submit that the burden of proof is on the shoulders of the members of the cabinet in the matters which I intend to draw to the attention of the committee.

Clause 3(1)(b)—and I am confining myself to this clause—refers to where a new trial has been ordered. Let me say that in the case of Schirm and Guenette a new trial was ordered on October 24, 1967. I intend to refer to this in some detail.

In speaking on this bill in the past—and I do not hesitate to refer to it a second time—I made much of the celebrated case of Lepine during the Red River occurrences in 1870. I made the statement at that time that the most despicable chapter in the history of the Mackenzie government, the Liberal government of this country from 1873 to 1878, was that relating to the case of Lepine whose sentence of death was commuted by Queen Victoria. I said it was—and it is—a despicable chapter not only in the history of the Mackenzie administration but also in the administration of law in Canada. I stated that the Dufferin-Carnarvon correspondence of 1874 to 1878 shows conclusively the lack of backbone in the Mackenzie cabinet, a

craven cabinet if ever there was one, which refused to allow the law to be carried out.

A jury consisting of English speaking Canadians, French speaking Canadians, half-breeds and Métis had found Lepine guilty of the murder of Scott. These papers tell an unfortunate story, I can assure you; I have made reference to it before. The Governor General, Lord Dufferin, advised the officials in England, particularly the secretary of the colonial office to whom he was responsible, that the cabinet in Canada was in a very embarrassing and vexed position. The cabinet of Mackenzie was sustained in the House of Commons of Canada by a heavy vote from Quebec and a heavy vote from Ontario. Lepine had been found guilty of the murder of Thomas Scott who came from Ontario and he was sentenced to death. If Mackenzie allowed the sentence of death to be carried out it was his impression and that of the hon. Edward Blake that Quebec would turn against the Mackenzie administration and that if the sentence was commuted by Mackenzie Ontario would turn against the Mackenzie-Blake administration.

"How to get off the hook" was the expression I used the other day. I repeat it today. It was decided in informal conversations with the Governor General to persuade the Queen to commute the death sentence just as though Ottawa knew nothing about it. To carry on the sham, when the word came through that the sentence of death on Lepine had been commuted to two years' imprisonment plus the loss of his civil rights, the Mackenzie cabinet was overjoyed because they passed the word around—it is in the books here—that Ontario accepted the clemency of the Queen without question because of the high regard in which the Queen was held. It was pointed out that if the Mackenzie cabinet had commuted the sentence there would have been anger from one end of Ontario to the other.

May I refer to Hon. Edward Blake. In this correspondence it is pointed out that Blake protested loud and long in Canada, particularly through a paper which he owned, about the interference of the colonial office in the affairs of Canada. Mackenzie, in order to show the people of Canada that the Mackenzie administration did not want the Queen interfering in our affairs, decided to send Blake to Great Britain to protest her interference in an affair which she had been asked to interfere in by informal conversations with Governor General Dufferin. They then sent Blake over to England and he is supposed to have protested, although there is no record of it. Later on Blake, who had been prime minister of Ontario at one time and later minister of justice in the House of Commons of Canada, went to Great Britain and was elected to the house there. He fell flat on his face, to use a common term, so far as British politics are concerned. I do not have the slightest doubt that he did. The politicians and statesmen in Britain knew that he was the man who had requested that the Queen commute the sentence of Lepine and then had gone to England to protest the commutation. I do not have any doubt that Blake fell flat on his face in Britain because of the prior knowledge in Britain of his actions as a politician in Canada.

I come now to the case of Schirm and Guenette, these convicted separatists in the province of Quebec. I would like to think that some members might keep track of the dates I mention as I proceed. It was on August 29, 1964 that a man was killed in a gunshop in Montreal as he came up from the basement. Not only was this man shot and killed in his own gunshop but another man in the area was killed accidentally by a police bullet because of the exchange of rifle fire between the raiders and the gunshop employees and police.

• (4:20 p.m.)

Schirm and Guenette were convicted on May 21, 1965, although the robbery and murders took place on Saturday, August 29, 1964. I wish to read some of the history of the Schirm and Guenette case. Following their conviction the case was automatically appealed to the Supreme Court of Quebec on August 24, 1967 and a new trial was ordered. I trust that you will keep track of the dates I mention because I submit that the burden of proof is on the shoulders of the cabinet to disprove that they are not placing on parliament as a whole the responsibility for commuting the sentences of Schirm and Guenette.

The cabinet has always thought it in order to commute the sentences of other murderers but here we have men who, during the course of their trial, claimed they had committed a political offence and should therefore be tried in other than a criminal court of Canada. They even mentioned that they should be tried in an international court because they claimed their offence was a political one and Canada does not have a political court such as they have in countries

like Holland, Belgium and France. Of course, the Canadian law enforcement officers would not listen to such an argument and they were tried in a criminal court for the murder of the vice president of the gunshop.

Let me read to you from the Toronto *Star* of August 31, 1964 which carried a United Press International and Canadian Press dispatch from Montreal regarding this case. It states:

> Anti-terrorist squads of three police forces joined today in a 4,000 man hunt for the missing member of a five-man separatist group after two men were shot dead during an abortive raid Saturday on a firearms store.
>
> Inspector Roland Perran of the Montreal police force said the five raiders had "revolutionary tendencies" but that four persons captured near the site will not be identified until a coroner's inquest is held.
>
> Detectives said they have positive proof the raid was attempted by men with "revolutionary tendencies" but would not pin down with what separatist organization the men were connected.
>
> Some reports said they were members of the A.L.Q. (Armée Libération Québecoise) the group which took over the F.L.Q. (Front Libération de Québec) smashed after a wave of bombings last summer.
>
> Saturday's deaths bring to three the killings resulting from separatist violence.
>
> A store employee said a bandit pointed the gun at the clerk and announced in French: "We don't want any money—just rifles and ammunition".

We read in the Ottawa *Journal* of September 4, 1964, about the "revolutionaries". The article from Montreal states in part:

> Five lean, shabbily dressed men, described by police as "revolutionaries"—

Then we find a reference to François Schirm, 32, a Hungarian born French army paratrooper. Later the article states:

> Following their capture, police described the five as "revolutionaries", but said there was no proof they belonged to known separatist groups.
>
> At a press conference Thursday, Pierre Bourgault, president of Le Rassemblement pour l'Indépendance Nationale, a separatist party, said only Schirm was an R.I.N. member and that the party could—

Mr. Lewis: I rise on a point of order, Mr. Chairman. I cannot say that I have heard every word the hon. gentleman has spoken because I have been in and out, but it appears to me that the hon. member for York-Humber is discussing a case in respect of which a new trial has been granted and which is now before the courts. The hon. member is making highly prejudicial statements in respect of this case. This matter is now sub judice and ought not to be discussed on the floor of this house at all, certainly not in the terms in which the hon. member is discussing it. I respectfully suggest to Your Honour that you stop him from carrying on with this bloodthirsty subject.

The Deputy Chairman: Order, please. I have been listening to the remarks of the hon. member for York-Humber and I must admit I have been a little bit puzzled by his observations about an individual case. Hon. members should confine their remarks to the transitional aspects of clause 3 of this bill rather than speak in general terms or about individual cases.

Mr. Lewis: With respect, Mr. Chairman, I urge you to rule whether or not the hon. member should deal with any matter of this kind. The matter is in your hands, but I ask you to rule that he cannot discuss this case in respect of which the accused have been granted a new trial, at least certainly not in the terms in which he has been discussing it.

Mr. Cowan: My references have been taken from the transcripts of evidence in the cases in question. I should like to draw attention to a statement made by the hon. member for Three Rivers who spoke in this house on November 23. This is to be found in *Hansard* on page 4643. No ruling was made at that time with regard to that member's statement. He said:

> I also see cases which might constitute what is generally called political crimes when governments might be concerned over electoral consequences, over the penalties they might mete out to those responsible for political crimes. There might be some even now and the rumour is rampant. Mr. Chairman, I am not inventing anything. It is currently being reputed at least in my province—I do not know whether it is being said in the rest of the country—that if the government is so insistent in having this bill carried, it is because they do not dare allow the death sentences against the two separatists who have been guilty of murder, lest a scandal result along the lines of the (Lepine) affair in the political history of the province of Quebec.

Some hon. Members: Order.

The Deputy Chairman: Order. The hon. member may refer to a previous debate, but a point of order has been raised by the hon. member for York South. He has pointed out that this case is now before the courts. The hon. member should confine his remarks to clause 3 of this bill rather than to individual cases.

Mr. Cowan: Let me point out that the reference I read is from this very debate, and no one objected to the hon. member for Three Rivers as he continued to point out that—

The Deputy Chairman: I think the hon. member should return to clause 3. The point of order of the hon. member for York South is well taken.

Mr. Cowan: Mr. Chairman, in respect of clause 3 of the bill, which I had under consideration during my earlier remarks, some comment was made by two members of the house regarding clause 3 (1)(a). The question was asked why this clause should be included. In my opinion the burden of proof rests on the cabinet to show that this clause was not put in to make it appear as though the penalty would be executed. The burden of proof is on the cabinet to show that it was not their desire that this bill should be passed before the execution date of November 3, 1967 had occurred. If the bill had been proclaimed before November 3 the executions would have been automatically set aside.

It appears that I should not be specific, but the bill states that when a new trial of a person for the offence is ordered and the new trial is commenced after the coming into force of this act, the new trial shall be commenced by the preferring of a new indictment before the court before which the accused is to be tried, and thereafter the offence shall be dealt with, inquired into, tried and determined, and any punishment in respect of the offence shall be imposed as if it had been committed before the coming into force of this act.

I am talking about a case or cases that occurred in May of 1964, and I am not mentioning names. Why is there this distinction between trials that might begin at one time and a new trial, particularly when you consider that the murders were committed as far back as 1964? I think this is a very interesting coincidence. The burden of proof is on the cabinet to prove that it is only a coincidence that these charges were being tried and appealed and that seven execution dates were set with six postponements and that the first capital punishment debate was started on March 23, 1966.

• (4:30 p.m.)

I submit that the burden of proof is on the shoulders of the cabinet to prove that they were not endeavouring to have capital punishment removed before the executions could be carried out. Parliament declared itself in no uncertain terms on the matter, and as you know, Mr. Chairman, the cabinet kept on commuting death sentences and it looked as though they would have to commute the death sentences in this case, which might be a little touchy and a little risky. Lo and behold, the two trials to which I am referring but about which I cannot be specific, have slowly dragged along in the courts.

On October 19 first reading was given to this bill. As regards the appeal court, the fate of the people who were already under sentence of death is not yet known. If this bill introduced on October 19, should become law, capital punishment would be eliminated and these separatists would be incarcerated in prison for eight years, ten months and one day instead of having the death sentence exacted upon them.

I point out that the penalty for treason in this country still stands at death. I do not know why, if a man shoots the Queen, he should be sentenced to death for treason, because in this country you may be able to shoot the Governor General and get only life imprisonment, but if you shoot policemen and prison guards you may be executed. However, if you shoot the Queen they can get you under another section, namely, treason.

I submit that the burden of proof is upon the cabinet to prove that they were not rushing this bill through a second time by introducing it on October 19, 1967, when it received first reading, with second reading being given on November 9, in order to avoid imposing the death penalty on people who on October 19 were under sentence of death. I regret very much indeed that parliament is being placed in the position of being asked to pass Bill No. 168 so that a term of life imprisonment will be the most serious punishment that can be meted out to armed separatists who under oath, when giving evidence on their own behalf, stated that they were separatists.

I say to you, Mr. Chairman, that the cabinet is evading responsibility for commuting to life imprisonment death sentences imposed prior to Otober 19, 1967, by asking parliament as a whole to pass Bill No. 168. The burden of proof is on their shoulders to show that they are not rushing this bill through to relieve themselves of the necessity—that is what they would consider it to be—of commuting the death sentence on these two men who are avowed separatists. I do not like the bill and I do not like the way it has been introduced.

Mr. Nugent: Mr. Chairman, I know the Solicitor General has been considering amendments to the bill. I have an amendment that I hope will simplify and clarify

matters if the crown sees fit to accept it. It would save all the difficulties I have mentioned in trying to determine when the crown should bring the bill into force.

I believe it is the intention of the crown that this amendment to the act should take effect immediately in respect of all those now undergoing trial and those whose trials are about to commence. If I am right in this supposition, the amendment is fairly simple. I move, seconded by the hon. member for Charlevoix:

That clause 3 be amended by adding after the word "before" in line 4 of subclause 1, the words "or after", by deleting all the words after the word "act" in line 5 of subclause 1 down to the end of the words "this act" in line 25 of subclause 2, and deleting all of subclause 3.

The clause as amended would then read:

3. (1) Where proceedings in respect of an offence that, under the provisions of the Criminal Code existing immediately prior to the coming into force of this act, was punishable by death were commenced before or after the coming into force of this act, the offence shall be dealt with, inquired into, tried and determined, and any punishment in respect of the offence shall be imposed, as if it had been committed after the coming into force of this act irrespective of when it was actually committed.

I submit that this covers the whole situation. If there is any doubt in anyone's mind with respect to trials which may now be in the process, we could add these words: "and irrespective of the state of any trial in process at the time of the coming into force of this act." In my view this would not be necessary. I think this amendment is in line with the amendment suggested by the hon. member for Winnipeg South Centre. I had not quite understood what he meant, but surely this is a less cumbersome procedure. It simply says that the provisions of this clause shall apply to all, no matter what is the stage of the proceedings or when they started. Once the act comes into force it applies to every matter that is before the courts and that is to come before the courts. I hope the Solicitor General and his officials will give some consideration to this very uncomplicated method of dealing with the clause.

The Deputy Chairman: For the information of the committee I might read the amendment submitted by the hon. member for Edmonton-Strathcona.

Mr. Pennell: Before you read the amendment, Mr. Chairman, I must say that the amendments proposed by the hon. member for Edmonton-Strathcona and the hon. member for Greenwood are attractive. Both hon. members, I am sure, will agree with me, however, that we can never foresee the skill of counsel, and looking forward I would say it is a rather difficult section to draft.

Mr. Knowles: The minister knows whereof he speaks.

Mr. Pennell: I was wondering, therefore, whether the committee would wish to continue with clause 4 and then deal with the remaining clause. If the committee rises at five o'clock I could take these amendments under advisement and if the matter is called tomorrow I will then be in a position to give my views on the proposed amendments.

Mr. Cowan: May I ask a question with regard to clause 3? Can the Solicitor General tell us what other new trials have been ordered, besides Schirm and Guenette, in the whole of Canada at this time?

Mr. Pennell: I am not aware of any other convictions that have been set aside and new trials ordered. I was tempted to say there is the case of one Booth where a new trial was granted. He was convicted again in the lower court and that matter is now under appeal to the Supreme Court of Canada. I am not aware of any other case.

Mr. Cowan: Mr. Chairman, since I am not allowed to mention names of particular cases, might I be allowed to say that I submit the burden of proof is on the cabinet to show that clause 3 (1) (b) was not inserted for the specific benefit of the only new trial so far ordered in all of Canada.

The Deputy Chairman: Is it agreed by the members of the committee that the proposed amendment be stood and also that clause 3 be stood?

Some hon. Members: Agreed.

Clause stands.

• (4:40 p.m.)

On clause 4—*Duration and Expiration of act.*

Mr. Knowles: Mr. Chairman, the Solicitor General will not be surprised if I say we are not exactly happy with clause 4. I realize, and I say this quite openly, that what the Solicitor General has brought before parliament is a compromise bill. He has done so in the belief that such a compromise would command the support of the majority of the members of this house. We have already debated, and I will not reopen, our unhappiness with the other compromise, namely, the

retention of capital punishment for those found guilty of certain crimes. But we are unhappy also about the way in which the provision for this trial period is drafted in clause 4. I do not want to lay down, in any hard and fast way, that we will not agree to a trial period rather than making the new law permanent. But I say to the committee that even if one accepts the idea of a trial period, I think we have a right to look at the wording that provides for that trial.

As I read the wording of clause 4, it seems to me that we are leaving the country in this position. If five years from now there sits here a parliament that does nothing about this issue,—my colleague from York South says perhaps by inadvertence—then this new act will expire and we will be back with the law on capital punishment which parliament, by a majority, has decided it does not approve. I point out even further that the way this provision is worded, even if five years from now a resolution to extend the provisions of this act were before parliament and the debate on it were stalled, then with the arrival of the day five years from the date this act is proclaimed we are back to the old law. I say to the Solicitor General that I will not ask him to go back on his undertaking that this will be for a trial period. However, I do think that what happens at the end of the trial period should be put in a different way.

One way to have it would be that the law continues unless there is a resolution asking for it to be discontinued. Another way to have it would be that if a motion is made to continue the law and that motion has not yet been resolved, the present act would continue until a decision had been made. Another possibility, of course, would be that a provision might be written into the act giving any ten members the right to put down a motion and require that it be debated. As I say, I should like the Solicitor General to look at this provision rather carefully. I know he has lived with this legislation for a long time, but it seems to me that it is loaded on the side of the old law, on the side of capital punishment coming back. The minister may say to me that the provision should make for equality as between our views and the views of those who disagree with us. But this is not equal. This is loaded, as I say, in favour of those who would like to see the old law come back. All that has to happen is that good men do nothing in 1972 or that the efforts of the so-called good men be frustrated by those who would prevent such a resolution from coming to a vote.

As I say, Mr. Chairman, this matter could be resolved by not having clause 4 in there at all, by allowing the bill to come into effect as though the measure were to be permanent. In that event parliament would still have the right five years from now to amend it by wiping it out. I feel the better way would be to provide that the measure continue in effect until parliament has actually taken a decision one way or the other. In fact, I press that consideration the strongest because it seems to me it is the way that is fair to both sides, to those who want the law changed and to those who do not want the law changed. I suggest that perhaps some words along this line might be added: provided, however, that if parliament has not dealt with any such resolution this act shall continue in force beyond that five year period until parliament has made a decision. I should like the Solicitor General to give his comments on this point.

Mr. Churchill: Will the hon. member permit a question?

Mr. Knowles: Gladly.

Mr. Churchill: The suggested change, "unless parliament has dealt with it", means that a resolution would have to be brought forward by the government. You might have a government in 1972 as inactive as this government and the resolution might not even be called. It might appear on the order paper but it might not come up for consideration.

Mr. Knowles: These are points that we have to take into consideration. We have to have what the chairman ascribed to a Conservative member the other day, namely, clairvoyance. My colleague is pointing out to me that one answer might be that if parliament does not act at all it would be because no one wanted it.

Mr. Churchill: On the contrary, you can ask this government on many occasions to bring something forward but you get only promises, not action.

Mr. Knowles: This is the reason for one of the suggestions I had in mind. I found in the Bill of Rights the wording I have in my hand, and such a clause might be inserted in this bill. It could read something like this, and the language is taken from the Bill of Rights: A notice of motion in either house signed by ten members thereof made at any

time after four years and six months from the date fixed for proclamation, pursuant to section 5, shall be debated in that house at the first opportunity within ten days after the motion is made. This is one way of making sure that if it comes before parliament, provided there were ten people who wanted it brought before parliament, it would be debated. Then I believe the other provision would have to be there as well, that in that event the expiry of this act five years from now would not take place until parliament had made a decision, either on the motion of the ten private members or on the government's motion.

Frankly, one of the reasons I am not offering any formal amendment is that I think this is the kind of thing that needs to be thought about by the minister, and about which there could be some consultation. It does seem to me we should protect ourselves against a do-nothing situation in 1972, particularly when that do-nothing situation could result in the positive act of reverting to full-scale capital punishment.

Mr. Pennell: I must confess, Mr. Chairman, that the drafting of the section as it now stands was deliberate. I looked at the British precedent and the Lord Chancellor proposed an amendment in terms not dissimilar from the one put forward by the hon. member for Winnipeg North Centre. I am sure he knows I have never concealed my views on the subject of capital punishment. It became very clear from the remarks of some hon. members who supported the bill on second reading that they only supported the bill because of the way in which this particular clause had been drafted. I am satisfied in my own mind that a similar reaction would take place if we followed the proposal of the hon. member for Winnipeg North Centre. All I can say is that I believe the clause as drafted represents the greatest common denominator of views acceptable to the house at this time. As I say, the hon. member knows clearly what my views are on the subject of capital punishment.

• (4:50 p.m.)

Mr. Knowles: Mr. Chairman, not only do I know the minister's views but he knows mine, and we think alike on this issue. However, I would ask him whether it is not a fact that the clause as now worded is unfair to the position taken by those of us who would like to see abolition continued. Is it not also a fact that if the wording I suggested were adopted it would not be unfair to the other side? If we provide that a decision has to be taken in 1972—and by that I mean a formal decision, not decision by default—then we are leaving it open to parliament in that year to make the decision. Under the present wording, in the event of there being a do-nothing situation we are making the decision one way now rather than letting it be made then.

Mr. Barnett: Mr. Chairman, I should like to say something about one of the suggestions offered by the hon. member for Winnipeg North Centre, namely, that a few words be added to make it clear that the provision contained in this bill will remain in effect until a decision is reached by the house on a resolution. Apart from any other consideration, it appeals to me that this would cover the event that parliament might be dissolved and not in existence five years from the date of proclamation. If this happened to be the case I think the minister would agree that the law as now drafted would lapse by default because there would be no mechanism for parliament or anybody else to take action on whether there should be any continuance of the law.

It strikes me that the suggestion made by the hon. member for Winnipeg North Centre would not concern the hon. members to whom the Solicitor General just referred, those who had made their position on second reading conditional upon there being a trial period. The amendment would simply mean that the law could not lapse by default. I think this is a point that should be considered in relation to the present wording of this clause.

Mr. Nugent: Mr. Chairman, as one who has spoken as an abolitionist and would not be prepared to accept the bill if the amendment proposed by the hon. member for Winnipeg North Centre were carried, I would have to argue that the amendment is out of order. Having listened to the debate and knowing the feelings of hon. members and why some of them changed their vote, I can only conclude that the decision to abolish capital punishment was based on there being a trial period which would automatically end after five years.

Any amendment which would in any way allow the trial period to continue by default or would allow the issue to be decided by others would be changing the sum and substance of the principle which we managed to get the majority of the house to support. Personally I would delete the clause, but I

feel the minister is not in a position to do this. The amendment about which the hon. member for Winnipeg North Centre is talking is unfair to those who voted to abolish capital punishment for a trial period of five years.

Mr. Knowles: Mr. Chairman, may I say to the hon. member for Edmonton-Strathcona that he does not need to raise a point of order because I have not moved the amendment or, indeed, any of my amendments. I have suggested wording that I hope the Solicitor General will consider. May I also say to the hon. member for Edmonton-Strathcona that I agree with him that one of the reasons that this legislation is getting through parliament, as we hope it will, is that it is based on a five year trial period. I am not quarrelling with this.

My view of the matter is that if we cannot change the wording I may feel it necessary to vote against clause 4. However, I still feel there is a case to be made for wording the clause so that it would establish a trial basis in a way that is fair to both sides at the end of the five year trial period.

Since the Solicitor General has already agreed to take a look, whether or not he actually comes up with anything, at the suggestions that were made in connection with clause 3, perhaps he would be willing also to take a look overnight at clause 4. He does not need to accept my wording. Having listened to the arguments advanced and having considered the proposition he might come back with a suggestion tomorrow. I am not going to make life uncomfortable for him on this tomorrow, and I do not think I have done this in any case.

Since there are about 30 seconds before five o'clock and we will be going into private members' hour shortly, I wonder whether the Solicitor General would be willing to take clause 4 under review overnight in the same way that he is going to review clause 3.

Mr. Pennell: I am prepared to do this, Mr. Chairman, but I openly confess that the hon. member for Edmonton-Strathcona has put the case for me. However, I will accede to the suggestion of the hon. member since we have now reached five o'clock.

The Deputy Chairman: Order. It being five o'clock shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Mr. Mackasey: On a point of order, Mr. Chairman, which clock are you looking at? There seems to be quite a difference between the two.

Progress reported.

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

Mr. Knowles: Mr. Speaker, I believe there is an understanding that the first two private members' motions on the order paper today should stand.

Mr. Speaker: Is it agreed that notice of motion No. 15 standing in the name of the hon. member for Springfield and motion No. 16 standing in the name of the hon. member for Spadina stand?

Some hon. Members: Agreed.

INCOME TAX

PROPOSED DEDUCTION OF RESIDENTIAL TAXES

Mr. Stanley Haidasz (Parkdale) moved:

That in the opinion of this house the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

• (5:00 p.m.)

He said: Mr. Speaker, at this time when Canadians are involved in a national debate on tax reform and the recommendations of the royal commission on taxation, at a time when the housing shortage and increasing taxes are reaching disturbing levels, I welcome this opportunity, on the eve of the special federal-provincial conference on housing and urban development, to debate my motion which has been on the order paper since May 9. My motion states:

That . . . the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

The purpose of my motion is to bring once again to the attention of the government and especially to the attention of the Minister of Finance (Mr. Sharp) the great burden of the Canadian taxpayer, who is not only overtaxed, but in some cases doubly taxed.

Mr. McCleave: Hear, hear.

Mr. Haidasz: It is my opinion, and that opinion is shared by many citizens, that

home owners and tenants in rooming houses and apartments deserve fairer consideration by the Minister of Finance in regard to municipal taxes. For these citizens the present taxation system involves a flagrant case of double taxation in that the federal personal income tax is a tax on municipal taxes as well as on income. The United States recognizes the inequity of this practice. Home owners in the United States are now permitted to deduct their municipal taxes from income for federal tax purposes. I also want the Minister of Finance to consider what is being done in the United States and the United Kingdom, whose mortgage interest on owner occupied homes is deductible with respect to personal income tax that is paid to the federal government.

During the past few years many representations have been made to the federal government and the royal commission on taxation, urging the government to adopt the tax practices of the United States and the United Kingdom. Repeatedly over the years the Canadian Federation of Mayors and Municipalities, in its submissions to the government of Canada and to provincial governments, has recommended the deduction of municipal taxes from personal income tax in computing personal income, the deduction of home mortgage interest from personal income in computing taxable income, and the payment by all federal crown corporations of grants equivalent to property taxes that would otherwise be payable if the assessable properties of such crown corporations were owned privately.

In the present manoeuvring to give Canadians a new tax system it is obvious that there is growing concern that the problem of municipal taxes is not being given the attention it properly requires and deserves by federal and provincial ministers of finance. I believe it is imperative for the federal Minister of Finance, with his provincial counterparts, to study this serious matter more deeply and to give it more favourable consideration.

House and home stand at the centre of people's lives. Proper shelter means security. It also means independence and privacy. A decent home is also a good place for parents to bring up a family in a favourable environment. I believe that it is high time to insist that the social aspect of housing be among the determinants of economic policy instead of its unfortunate victim. In Canada the private, family home is essential to our traditional way of life. Private home ownership is considered an undeniable natural right. But in the present condition of our economy, ownership of a private home imposes a heavy financial burden on the ordinary Canadian citizen. After paying an average of $26,000 for a home plus mortgage payments in a city like Toronto and after paying all kinds of provincial and federal taxes, the citizen is additionally burdened with steadily increasing municipal taxes.

On reading a brief from the Toronto Real Estate Board dated February, 1967, which was sent to various levels of government, I learned that Canada's housing stock is now composed of 5,505,000 dwelling units, of which 3,495,000 or 64 per cent are owner occupied and 2,010,000 are rented. In metropolitan Toronto, where I represent the constituency of Parkdale, there are 555,000 dwelling units, of which 320,000 are owner occupied and 2,010,000 are rented. In metunits. On page 9 of this brief I also read that, in the opinion of the board, to encourage home improvements, the federal government should allow municipal tax payments and interest payments on home improvement loans in urban renewal areas and neighbourhood conservation areas to be deductible items in the calculation of personal income tax. To prevent home owners who improve their properties from being penalized, municipal governments should guarantee that assessments on rehabilitated dwellings will not increase for at least five years.

The Toronto Real Estate Board also revealed in the brief that the Ontario government "home ownership made easy plan", which is to assist many families to buy homes, will require an annual public subsidy of approximately $300 a year per unit. Also, there is no guarantee that the most deserving or needy families will be helped. Moreover, municipal governments have not been receiving the assistance they require from provincial governments to provide essential services to their residents. This complaint is directed mostly with respect to the requirements of education.

Canadian municipal governments find themselves forced to continually expand their public utility activities. Expenditures on education, transportation, health services, social welfare and police protection have increased steadily. Heavy municipal government expenditures in these areas are a great burden on property owners and apartment

dwellers. Many Canadians are asking themselves, to what extent should they, through municipal taxation, continue to finance education and health and welfare services? The benefits of such municipal services are felt not only province-wide but throughout the nation. It is quite appropriate, therefore, for these expenditures to be financed by federal and provincial governments.

• (5:10 p.m.)

I think that provincial governments could save much money by cutting out unnecessary projects and the savings would help greatly to cover education costs. It will take wise management and courageous leadership on the part of governments to devise fiscal measures to rearrange tax responsibilities. That will involve continuous co-operation and consultation with all levels of government. Provincial governments must realize that our federation is co-operative. It is to be hoped that enough responsible people at all levels of government will get together often enough to bring about suitable fiscal adjustments. The revision of responsibilities in this area is an essential need in our country.

Experts tell us there are mainly five factors which are responsible for the housing shortage in Canada, namely, unstable mortgage financing conditions, insufficient serviced land, restrictive construction bylaws and conflicting building codes, and an inequitable tax base. It is the inequitable tax base that has forced municipal authorities to raise taxation and levy rates as a direct result of the burdens of financing education and other essential services.

I realize that in an effort to halt rising municipal taxes the soundness of our dollar and its protection from further inflation are important requirements. Inflation has eroded the security of many of our people who depend upon a fixed income. The heavy load placed upon most property taxpayers produces unhappy results. Old people with limited retirement incomes and small pensions are especially hurt. They denied themselves many things in earlier years in order to pay off mortgaged homes only to find themselves faced now with rising municipal taxes.

We have been told that older people would be better off in apartments, but they have no choice. They have to stay in their own homes. They also have to cope with problems of maintenance and they regularly face a rise in municipal taxes. When they try to make some improvements they are taxed again. Tenants in apartment houses face an increase in rent whenever municipal taxes rise. Also, as costs of maintenance soar tenants in apartment houses are forced to pay higher rents.

It is necessary to work out techniques that will give municipalities more revenues without steadily raising taxes on family dwellings. This is an objective which demands an all-out effort on the part of responsible ministers of the government. I realize that taxation should be on an equitable basis. I also understand the concern of the Royal Commission on Taxation when it states that it is difficult to devise a system of credits for property taxes against personal income tax liabilities which would be equitable as between those who own their homes and those who rent from others. However, despite the difficulties which present themselves, a serious effort should be made to find out what portion of municipal taxes and rent payments can be considered for relief from federal personal income tax. The federal government has been able to give numerous tax credits to businessmen, industry and corporations, and also hands out various kinds of subsidies. I now ask for fair tax treatment for the unfortunate Canadian workers and heads of families.

As I have stated previously, the present system appears to be a flagrant case of double taxation in that the federal personal income tax is a tax on municipal taxes as well as on income. Furthermore, it was possible for the governments of the United States and the United Kingdom to recognize the inequity of this type of taxation. That is why home owners in the United States are permitted to deduct municipal taxes from income for federal taxation purposes.

I strongly urge the Minister of Finance and his advisors to give favourable attention to these views and facts and come to the aid of the overburdened taxpayers in owner-occupied homes, boarding houses and apartments who are adversely affected by rising municipal taxes. I also appeal to all hon. members to support this motion.

Mr. Frank Howard (Skeena): Mr. Speaker, the remarks I wish to make on the motion before us will be brief. I think the motion is in one sense too narrow to be supported. In another sense it is too vague and too discriminatory to be supported.

It is narrow because it extends an opportunity for relief from the full weight of personal income tax only to one group of people in our society. As hon. members know, there

are others in our society who are denied the opportunity to make deductions when computing their personal income tax in respect of expenditures which they are bound to make in order to earn a living. If the motion had been broad enough in its terms to include, for example, the opportunity for a working man or woman to deduct the cost incurred in buying special protective clothing, articles which are often required by provincial law to be worn for safety purposes, it might be more acceptable. Workmen's compensation board regulations, certainly in British Columbia and no doubt in other provinces, require that individual workers in certain occupations must wear hard hats.

We think such expenses as these should be covered by the hon. member's motion since the workers concerned are now required by law to purchase a particular item before they can go about the business of earning a living. I have used hard hats as one example but one could extend the list almost indefinitely. Loggers, construction workers and others are obliged to wear special types of clothing. I wish to include in this list also those workmen who have to buy tools, equipment and so on which are necessary to them in the earning of their livelihood. Had the motion made provision for these things it might have been more acceptable.

I turn now to the discriminatory feature of this motion. What is the position of two groups in particular, tenants who rent living premises in the urban areas and those who pay board and lodging, including employees working for mining and logging companies in cases where it is necessary for them to go out of town to work? In neither of these instances does the motion as I read it recognize that endorsement of what is proposed by the hon. member for Parkdale would amount to discrimination, that it would be unfair to the man who has to earn a living in a construction camp or a logging camp.

Mr. Haidasz: I did mention in my speech that apartment dwellers and dwellers in boarding houses should also be allowed to deduct that part of the rent which represents the payment of municipal taxes.

• (5:20 p.m.)

Mr. Howard: Mr. Speaker, I did not take my seat because I did not want you to be put in the awkward position of having recognized two members at once. I did not think the hon. member was rising to ask a question. What the hon. member said in his speech and what is contained in the motion are two entirely different things. If the hon. member had this sort of conception he should have put it in the motion. The motion has been on the order paper since May 9, 1967, and it reads:

> That, in the opinion of this house, the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

If the thought was in the mind of the hon. member that tenants should be able to deduct that portion of the rent they pay which would reflect their proportionate share of the residential taxes, the motion should have said so. What I am saying is that the motion is too narrow in that sense, and all that the hon. member did in his introductory remarks was to add something to his own motion that is not contained in it.

I also said that something else should have been contained in the motion. The hon. member and I are on the same ground. Neither of us agrees with the motion that he has put forward and which he himself has found deficient. If he did not find it deficient, why did he make all these additions and speak on something that was not included in the motion?

I submit that the hon. gentleman either drafted his motion poorly and made it too narrow or, once having drafted it and got it on the order paper, realized it was too narrow and thought he had better enlarge on it in his introductory remarks. I would gladly, if the hon. member desired, try to help him out of his difficulty by drafting an appropriate amendment to the motion, but I do not think we have time now for that. It is not my function to assist him in making his motion more acceptable. I think he is going to be stuck with the motion he introduced and which he now realizes is one he should not have introduced or that he should have drafted it in a different way.

The hon. gentleman has substantiated my view that the motion is too narrow and discriminatory because it does not fully take into account the position of others in our society. Therefore the motion should not be accepted by the house, and when it comes to voting on it I hope the mover and I will be voting the same way. I shall be voting against it.

Mr. Haidasz: On a question of privilege, Mr. Speaker, may I say that in the words "residential taxes" I imply taxes paid by all residents, including the residents of private homes, rooming houses and apartment houses, as I stated in my speech.

Mr. Howard: On another question of privilege, Mr. Speaker, I understand the hon. gentlemen is a parliamentary secretary and I wish to say his ability at draftsmanship will not get him into the cabinet if this is an example of it.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, contrary to what was said by the hon. member for Skeena (Mr. Howard) who spoke before me, I am pleased to support the objective of the resolution moved by the hon. member for Parkdale (Mr. Haidasz).

The purpose of this notice of motion is to help not only the people who wish to own a house but also those who have already made the necessary sacrifices and personal efforts in order to buy or build a house.

This resolution involves a change in the Income Tax Act. I think this motion will give satisfaction to those who are endeavouring to improve the present system, because if we analyse the situation somewhat, we find that the present taxation system, as pointed out by the hon. member, has greatly contributed to the increased cost of living.

That increase in the cost of living has created real problems for our school and municipal organizations, because all the services we receive from those intermediate bodies become increasingly expensive. This unexpected increase in essential services is reflected at the present time in the sale of many private properties.

When the government established taxation at the source, it was felt that, as a basic deduction, the amount of one thousand dollars represented the basic necessities, and although, that exemption is completely inadequate today, the government keeps it in force. Although the cost of living has doubled, the labourers, the Canadian workers are still required to pay according to schedules established about 20 years ago.

Therefore, in my opinion, it would be very appropriate to amend the Income Tax Act so that home owners might deduct from their taxable income any amount paid as property, municipal and school taxes for the houses in which they live. In so doing, the government could counter the slackening in the building industry at the present time by encouraging the Canadian people to invest their money in the purchase of a home, because the present situation has brought about a decrease of about 30 per cent in housing starts, for the whole country, as compared to 166,000 starts in 1965. Indeed, statistics show that Quebec experienced a decline of 11 per cent in 1967, compared with 1966.

Nevertheless, a sustained publicity drive has led Canadians to believe that present-day administrators are concerned with their fate. However, Mr. Speaker, we still remember that a $500 bonus used to be granted to those who had their homes built during the winter season.

That bonus has now been withdrawn while the money from the 11 per cent tax on building materials is still coming into the government's coffers.

This same government decided recently to grant an additional amount to reduce as much as possible the cost of rents in modest districts of Montreal. This is a most human decision which deserves commendation but we have poor districts in a rich country such as ours because our social legislation is not satisfactory.

I am in favour of assisting the poor, but I am even more in favour of a measure like the one introduced by the hon. member for Parkdale (Mr. Haidasz) and I am in favour of an amendment to enable private owners to live normally in decent districts.

Every human being dreams of home ownership and all men dream of becoming one day the owner of a home for their wife and children. In Canada, private ownership is closely related to the family and it is a natural right that all hon. members in this house are no doubt anxious to protect.

Inasmuch as the object of that motion is to lighten the financial burden carried by the Canadian citizen and to encourage him to become a home owner, a step that will not place on him an unbearable burden but will enable him to fulfill his aspirations, I hope the government will give it all possible consideration.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I would like to make a few comments on the motion now before the house which reads:

> That, in the opinion of this house, the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

It is refreshing to listen to a supporter of the government urging members of all parties to support a motion calling for tax reductions. This is more encouraging than the statement forecast that we will no doubt

listen to tomorrow night. I would much rather see action taken in the direction indicated by this resolution than in the direction we anticipate that the government will be moving tomorrow night. The fact that the resolution is not broad enough to lighten the burden of other categories should not discourage us from supporting it.

• (5:30 p.m.)

As I listened to the hon. member for Skeena (Mr. Howard) it seemed to me that he referred to at least one or two proposals which have been discussed and supported on other occasions in the house by a great many members. Therefore, as I say, I do not think the fact that other categories are not included in the terms of this resolution should discourage us from supporting it.

We give our complete support to this motion because the proposal has been a plank in the platform of the Social Credit party for a long time. We have never retreated from this position. I hear someone saying "shame", indicating that we have retreated from support of this principle. I do not feel that way about it. I am very happy to associate myself with this measure at this time. I am sure all hon. members have paid lip service to the principle that home ownership is desirable and that everything possible should be done so that every Canadian citizen who desires to own and live in his own home may have the opportunity to do so. I say "lip service", Mr. Speaker, because the record of the government in this field is far from commendable in this regard.

We remember that after a great deal of talk about the desirability of home ownership a winter bonus plan was implemented whereby those who built homes in the winter season would receive a bonus. We were informed that the purpose was to take up the slack in unemployment but that it was not necessarily designed to assist in the home building and home ownership program. Nevertheless it was appreciated and I believe it did assist some people in proceeding with building plans and in owning their own homes. But then we found that the exemption from the 11 per cent sales tax was withdrawn. This more than offset any benefit that accrued from the other plan.

In recent times the government has announced increases in the mortgage rates under Central Mortgage and Housing Corporation. All these things have caused us to wonder whether the members of the government are really sincere in their statements that they want to encourage home ownership. As the situation now stands, those in the low income brackets, or even in the medium income brackets, find it almost impossible to proceed with their building plans and to build their own homes. I do not believe we are giving them very much encouragement because it seems that every measure introduced and every announcement made in this regard make it more difficult for them to proceed with such plans.

As I have said, we support the proposal that the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax. We also support the idea that mortgage interest should also be included as an exemption. Under our present system a person pays in capital and interest an amount double the initial cost. Therefore, in considering this entire program and the desirability of home ownership, because of its social as well as its economic ramifications, I believe mortgage interest should be included as well even though the hon. member did not see fit to include it in his motion.

I should like to join with the hon. member for Parkdale in his impassioned plea that members of all parties support this resolution. I know he is sincere in presenting it and in making this plea to hon. members. I trust that no member on the government side will stand up and talk out the motion. I hope it will be permitted to come to a vote. Last night a measure was defeated which would have added to the burden of the taxpayers by increasing postage rates. This motion, if adopted, will help to decrease that burden. I hope that in this instance the member on the government side who has introduced this motion will have the support of the house and that it will be passed before six o'clock.

Mr. H. E. Gray (Essex West): Mr. Speaker, I think all members of the house should commend the hon. member for Parkdale (Mr. Haidasz) for giving us an opportunity to discuss the very important point covered by his motion. I believe it was rather unfair of the hon. member for Skeena (Mr. Howard) to criticize the hon. member for Parkdale for the manner in which he has drafted his motion. I think a fair interpretation of the words in his motion could well lead one to the conclusion that it covers measures to assist people who rent residences, people who live in apartments, people who have to live in bunkhouses and so on and have to pay

some form of rent for this accommodation. After all, the resolution says:

> That, in the opinion of this house, the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

Personally I feel, and I believe others will agree with me, that the phrase "residential taxes" can be very broadly interpreted. I for one certainly do not agree with the hon. member for Skeena when he attempts to suggest that the hon. member for Parkdale introduced in his speech a point which he did not include in the resolution in that he suggested that a form of deduction of property tax be made available to those who rent apartments. I feel that this interpretation could very fairly and easily be placed on the broad wording of the resolution.

As I said, Mr. Speaker, I believe the hon. member for Parkdale should be commended for giving the house an opportunity to discuss this very important concept. I think it is well known that the rules of the house permit private members to discuss proposals involving the tax law which would change the balance of ways and means only through the form of discussion of private members' resolutions. This may or may not be the best way to permit private members on their own accord to take part in discussions of this sort, but the fact of the matter is that the rules of the house at the present time limit us to the discussion of resolutions which, if they should carry, will have no direct effect in changing the income tax law.

• (5:40 p.m.)

Rather than suggesting the possibility of government members or members of any party allegedly talking out a measure of this sort, I think we should look upon the opportunity we have to discuss a resolution of the type presented to us by the hon. member for Parkdale as a valuable opportunity to place our views on the record of the House of Commons and therefore before the country on matters involving the raising and spending of tax moneys such as contained in the resolution before us today. This resolution reflects the very constructive attitude of the hon. member for Parkdale, an attitude which in turn reflects his own deep concern for the problems of people living in urban areas on limited incomes, and some of these people are in his own riding. Let me say a word at this time to indicate that I feel the hon. member for Parkdale, by his efforts as represented by this resolution and as parliamentary secretary, is carrying out a very constructive task as a member of parliament for his constituents and for the country. I commend him for these efforts.

In discussing this resolution there may be those who will try to bring our attention at this time or at a later date to the arguments against what I consider to be a very constructive proposal. We should recognize these arguments, which I personally do not accept, and analyse them to determine their weakness and to provide answers.

One such argument is contained in the report of the royal commission on taxation—the Carter commission. It in fact recommended against this type of tax change. If I may attempt to summarize the point of view put forward by that commission it might be expressed in these words, which are not mine in the sense of being my own argument. Persons who invest in homes enjoy a tax advantage over those who choose to put their savings into other forms of investments in that income derived in the form of interest or dividends is subject to income tax but the imputed rental value which accrues to the home owner does not need to be taken into income for tax purposes. Therefore the argument could continue that if the home owner were to vacate his house and rent it, the rental income which he would receive would be subject to tax. I am not using the exact words of the Carter commission report, but I think this reflects the argument it put forward.

This type of argument helps convince members of the house and the public generally that, with all due respect to the distinguished gentlemen who are appointed to royal commissions and do a lot of work and present reports, the reports should not be taken as tablets of stone handed down from on high, of such a nature that the House of Commons should simply rubberstamp them. We should instead look at them very carefully in an attempt to take from them what is best and, exercising our responsibility as elected representatives of the people, not accept those recommendations which do not seem to be completely sensible or in the best interests of the population of Canada.

Certainly no person with ordinary common sense would agree with the contention of the Carter commission that an individual could in any real sense get any benefit from income he does not receive. The Carter commission defines imputed income as being the benefit

which accrues to an individual through his own use or consumption of an income generating asset. As I said, no matter how interesting such a concept might be in a theoretical sense, certainly if you are not getting income which you can spend or use to improve your living standard you are not getting any benefit from it. The Carter commission will have to go a long way to persuade most of the reasonable people in this country that they are getting a benefit from some type of imputed income in respect of which they are spared the opportunity of paying income tax, particularly having regard to a home which they own themselves and in which they live.

The Carter commission overlooked the basic point that the great majority of home owners do not purchase their homes for investment purposes but for the purpose of shelter. If a home or dwelling were purchased as an investment then one could possibly see its argument, but the fact of the matter is that obviously the overwhelming majority of people who own their own homes bought them to provide themselves with shelter. Their aim was to get an adequate roof over their heads. I do not think it is sensible at all to treat a home owned and occupied by an individual as a form of investment.

Another argument is made, and again I am not stating it as my argument, that if a person vacated his house he could rent it and get income from it on which he would have to pay taxes. Of course, if a person vacated his house he would have to go out and rent or buy another one and he would have to get the money to pay the rent or to purchase another house. In any event, as a practical matter a person occupying his own home would in very few cases have the means to permit him to go out and rent another home or buy another home while putting his original dwelling up for rent or sale as a commercial matter. This is simply not a realistic possibility at all.

As the hon. member for Parkdale put it so well, and other members also, I think home ownership is something that should be encouraged. A person who owns his own home obviously has an interest in and a concern for it which does not exist in the same way on the part of an individual renting an apartment or a dwelling of another sort. The decision to rent or buy is a personal and optional one, and it therefore cannot be said that people who decide to rent, having made a personal decision after taking into consideration the possibility that if the law is changed they cannot deduct their property taxes, are being treated in an unfair way or would be treated in an unfair way if they were not able to make a similar type of deduction. But in any event the hon. member for Parkdale has pointed out that his resolution implies the working out of a scheme that would afford similar benefits to someone renting an apartment or a house. Of course, we should remember that many people who own their own homes are people with limited incomes—people on fixed incomes and people who are retired. For these people the burden of residential taxes is very real. It falls on them much more heavily proportionately than on people who have other income besides their pensions and whose income may not change for years at a time. This certainly should be kept in mind.

So the argument of the Carter commission that the person who owns and occupies his own dwelling is getting some benefit because he does not have to pay income tax on an imputed income is one which the majority of the people of this country will find very hard to accept. Most people will take the common sense view that if they are not getting the income and are not deliberately forgoing it, it is certainly not a benefit. The fact that they are not being asked to pay income tax on income they do not get is nothing for which the royal commission or the government can take credit. This is an interesting argument in the form of a sort of verbal sleight of hand but, as I said, it is one which I think the population of this country will find very hard to accept.

Another argument that may very well be raised against the proposal of the hon. member for Parkdale is that those people who are more affluent and have larger incomes and larger homes will get a greater benefit because if a person has a larger home, one with 20 rooms or more, he will pay larger property taxes and thus get a greater benefit than someone who has a more modest cottage elsewhere. In my opinion there is a very simple answer to this argument, namely, to place a maximum on the amount of property tax that can be deducted for income tax purposes.

• (5:50 p.m.)

Mr. Winch: That is not in the resolution.

Mr. Gray: It may not be in the resolution but the resolution is before us for the purpose of discussion in order to help clarify

what should be added to it and developed from it. This is the very reason we have this House of Commons, to exchange views of this sort. I do not criticize the hon. member of the New Democratic party who made that interjection. It will go on the record.

Mr. Winch: I am in favour of what you suggest.

Mr. Gray: Thank you. This proves my point, Mr. Speaker, that this type of discussion here is very constructive and will put suggestions before those charged with the responsibility of formulating tax policy in a way that otherwise could not be done. We already have something like this in our income tax law. If I am not mistaken there is an upper limit on the amount that can be deducted with respect to donations for charitable purposes. I think there is also an upper limit on the amount that can be deducted with respect to money paid out for medical expenses. Actually it is a percentage. But the point I am trying to make is that this principle exists already in our income tax law.

When we proceed to consider changes of the type contemplated by the hon. member for Parkdale the argument that will be raised against them by some—and it is not one being made by me—is that the more affluent and wealthy people will receive a proportionately greater benefit. This argument can be dealt with by placing a ceiling or upper limit on the amount of property tax that would be subject to deduction.

There is one argument that may be raised which may be somewhat more difficult to answer. There are those who may come forward and say that by accepting the suggestion of the hon. member for Parkdale a certain amount of tax revenue which we now receive will be lost. Of course, to carry out the programs of the government which the public desire, tax revenue is necessary. I think the answer to that argument is to review our tax system to see whether there are areas which are not bearing their fair share of taxes, and try to make up the difference from these sources. Obviously it would not be sufficient merely to bring in the change proposed by the hon. member for Parkdale. At the same time we do this we would have to take a look at our tax system generally and make sure that the revenue which would not be obtained as a result of the change which I think the hon. member is constructively proposing would be made up through some other source.

I think this is why the approach of the government in planning to present to us a white paper setting forth its views on the proposals of the Carter commission is very constructive. Rather than dealing with these things in a piecemeal manner—I make this comment not in a critical fashion at all with respect to the constructive suggestion of the hon. member for Parkdale—we will have a package brought before us and will be able to see the effect of any change on other areas of our tax policy.

I believe this is a very good way to go about it, especially since it is my understanding that the government's white paper will be referred to a committee of this house for study. In the course of that study we will hold public hearings and be able to hear not only from members of this house but also from people from the general public sector. Speaking personally, I hope this may be a precedent for an evolution in tax policy.

The United States goes about making budgets in a much more open fashion than we do. I am not saying I am completely familiar with their method. However, I think they bring down a budget document, or rather the president presents a budget message to congress and congress holds a lengthy series of public hearings. There is quite a public discussion before the laws are passed, and often many amendments are made. I do not think this method shakes to its roots the financial structure of that country.

It is my feeling, now that I have been here for several years, that whatever may be said for our present system of budget-making there is a lot to be said for moving forward and having a more open system than we have at the present time when making and changing tax laws. I hope the remarks already made in the house by the Minister of Finance with regard to handling the recommendations of the Carter commission may be an omen of further development in our parliamentary system with respect to budget-making.

In conclusion, Mr. Speaker, I again want to commend the hon. member for Parkdale for his very constructive proposal. I think a proposal of this type would do a lot to remove the burden which I believe already falls too heavily on people who occupy their own homes, many of whom are on very limited incomes. Certainly there are needs for education, the building of roads and social welfare at the municipal level. These matters are very important. But I think the

time has come to spread the method of payment of those needs over a much wider base than the municipal property tax. I therefore commend the hon. member for Parkdale once again for this most constructive proposal.

Some hon. Members: Question.

Mr. J. G. Lind (Middlesex East): Mr. Speaker, I wish to speak on the motion of the hon. member for Parkdale (Mr. Haidasz). It reads as follows:

That, in the opinion of this house, the government should give immediate consideration to the feasibility of allowing residential taxes to be deductible from federal personal income tax.

I would like to point out that the record of this government was very good last year. According to Southam Building Guide's indicator of future construction activity, housing contracts moved substantially upward from June to July.

Miss LaMarsh: Six o'clock.

Mr. Lind: Starts in July numbered 6,326, 27.6 per cent higher than 12 months ago. The statistics of the past few months, considerably higher than those of the corresponding months of 1966—

Miss LaMarsh: Six o'clock.

Some hon. Members: Six o'clock.

Mr. Lind: Is it six o'clock?

Miss LaMarsh: It is by one clock.

Mr. Knowles: Mr. Speaker, what is this? A Liberal caucus?

The Acting Speaker (Mr. Rinfret): The hon. member for Middlesex East has the floor.

Miss LaMarsh: It is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): The hon. member for Middlesex East has the floor.

Mr. Lind: As I was saying, Mr. Speaker, the statistics of the past few months, which are considerably higher than those of the corresponding months of 1966, have brought the year-over-year cumulative gain for the first seven months to 25.8 per cent.

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

BUSINESS OF THE HOUSE

Mr. Rapp: Mr. Speaker, may I direct a question to the house leader? What will be the business tomorrow before we proceed with the message of the Minister of Finance in his budget?

Mr. MacEachen: Tomorrow, Mr. Speaker, we will take the committee stage of Bill No. C-168, second reading of the Judges Act, second reading of the Government Employees Compensation Act, second reading of an act to establish a corporation for the administration of the national museums of Canada, committee stage of Bill No. C-151 with respect to C.N.R. financing, second reading of Bill No. S-19, an act respecting the boundary between the province of British Columbia and the Yukon and the Northwest Territories, and second reading of Bill No. S-18, an act to amend the Publication of Statutes Act.

Mr. Knowles: Mr. Speaker, can the minister tell us now what the program will be on Friday?

Mr. MacEachen: If this program is completed tomorrow we will have a new menu for Friday, but if it is not completed I will invite hon. members to the same table.

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

HOUSE OF COMMONS

Thursday, November 30, 1967

The house met at 2.30 p.m.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

SEVENTH, EIGHTH AND NINTH REPORTS OF STANDING COMMITTEE

Seventh, eighth and ninth reports of standing committee on transport and communication—Mr. H. Pit Lessard.

[*Editor's note: Text of the foregoing reports appears in today's Votes and Proceedings.*]

[*English*]

BILINGUALISM AND BICULTURALISM

INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, will the Prime Minister inform the house when he will table the report of the royal commission on bilingualism and biculturalism and will he be making a statement at that time?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I received the report from the commissioners yesterday. I announced this to the cabinet this morning and arranged for copies of the report to be circulated to the ministers, so we could have a look at it and exchange views on it at the beginning of the week. I hope to table the report next Tuesday and at that time to make a short statement.

UNITED NATIONS

CANADIAN ABSTENTION IN VOTE ON ADMISSION OF CHINA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Secretary of State for External Affairs with reference to the vote in the United Nations last week. Why did the Canadian representatives abstain from voting on the motion to seat the Peoples' Republic of China instead of supporting that motion, as did the representatives of Great Britain and the Scandinavian countries?

Hon. Paul Martin (Secretary of State for External Affairs): My hon. friend has obviously been reading the *Globe and Mail* this morning in which the same point is made with the same lucidity and precision of my hon. friend's question.

The reason for the abstention was that in adopting the procedure followed last year, this seemed to us the wisest course to pursue in view of our policy, which is that mainland China should be admitted to the United Nations but that Formosa should not be expelled. A resolution was put forward by a number of countries calling for the seating of mainland China and the expulsion of Formosa. We could not agree to the expulsion of Formosa, but this resolution did meet part of our policy, namely that mainland China should be admitted. Because the resolution met part of our policy we therefore abstained. For this reason, and because it rejected another part of our policy, we ourselves did not put forward a resolution; because after canvassing the matter it was clear that a resolution in our terms would not gather much support.

So for the reasons I gave last year and which I reiterated in this house only last week, we followed the course pursued last year. It must be clear that we took the position that mainland China should be admitted to the United Nations.

Mr. Douglas: A supplementary question, Mr. Speaker. Since the government of Canada professes to be in favour of seating mainland China and retaining the seat of Taiwan in the assembly, may I ask why the Canadian representatives did not move this proposition as an amendment to the motion?

Mr. Martin (Essex East): I have just explained that after canvassing the situation we were convinced that to move such a resolution in the form of an amendment would not gather any support. That, as my hon. friend knows from his experience at the United Nations, is not a wise course to follow.

Mr. David MacDonald (Prince): In the light of the statement made by the Secretary of State for External Affairs today, as well as those made on many previous occasions,

when may we expect the Canadian government to give diplomatic recognition to the government of communist China?

Mr. Martin (Essex East): As the Prime Minister explained some months ago, this is a matter involving an appreciation by Canada of the situation in China, among other circumstances. The hon. member will appreciate that events in mainland China during the last year do not fully meet the criteria of recognition by one régime of another. As to the future, that will depend, among other circumstances, on events.

Mr. MacDonald (Prince): In the light of the other circumstances described by the minister does he not think diplomatic recognition might bring some stability to the government of mainland China?

Mr. Speaker: Order. That is an argumentative question.

[*Translation*]

HIGHWAY SAFETY

INQUIRY AS TO SAFETY STANDARDS RESPECTING TIRES

On the orders of the day:

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, may I put a question to the hon. Minister of Industry?

Does the government intend to announce the enforcement of security standards in order to protect tires against blow-outs at high speeds?

Mr. Speaker: I would suggest to the hon. member that this question does not seem to be so very urgent and that it could easily be put on the order paper.

[*English*]

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): In view of recent reports, could the Secretary of State for External Affairs advise the house whether a Greek-Turkish accord has been reached on the Cyprus issue, or whether satisfactory progress is being made toward that objective?

Hon. Paul Martin (Secretary of State for External Affairs): There has been a definite improvement in the Cyprus situation. I think I can say the parties are approaching agreement in principle on the contentious and immediate issues. However, there are some details to be worked out. The representative of the United States has had several long discussions with the head of the government of Cyprus. There are further consultations under way. I hope that before too many hours will have expired we may receive further definite indication of progress toward a settlement in this matter.

EFFECT OF REPORTED RESIGNATION OF U.S. SECRETARY OF DEFENCE

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. In view of the resignation of Mr. McNamara as secretary of defence in the United States, and in view of the widespread concern as to the effect of this on the war in Viet Nam, could the minister inform the house whether the government has made even more urgent representations to Washington that this should not mean an escalation of the war in Viet Nam?

HOUSE OF COMMONS

FAILURE TO OBSERVE SAINT ANDREW'S DAY

On the orders of the day:

Hon. J. A. MacLean (Queens): On behalf of the many members of this house of Scottish extraction and therefore, momentarily, a self appointed spokesman for one of the two great founding races of this country—

Some hon. Members: Hear, hear.

Mr. MacLean (Queens): —I should like to ask the Prime Minister whether it is his intention this session to introduce legislation which would eliminate the odious anomaly whereby the house sits on the feast day of the patron saint of one of these two great races, while on the festive day of the other we adjourn.

Right Hon. L. B. Pearson (Prime Minister): We on this side of the house are paying a very special tribute to the patron saint of Scotland, Saint Andrew, by bringing down a budget today.

Mr. MacLean (Queens): I should like to ask the Minister of Finance whether he is bringing down a supplementary budget on St. Andrew's day in the hope that some of the Scottish thrift and capability in financial affairs will brush off on the government.

Some hon. Members: Oh, oh.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, as a fellow Scot I want to say it will give me great delight this evening to be able to display those virtues of thrift, of caution and of prudence that are so characteristic of people of my race.

Some hon. Members: Hear, hear.

INDUSTRY

INQUIRY AS TO STEPS TO INCREASE INDUSTRIAL PRODUCTIVITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the Minister of Industry. In view of the figures made available by the Dominion Bureau of Statistics showing that there has been no increase whatever in industrial productivity in Canada during the past 12 months, would the minister take the first opportunity on motions to indicate to the house and the country what he and his department intend to do to overcome this serious situation?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as I have indicated to the hon. member on a number of previous occasions, there are a great many programs of the Department of Industry, as well as of other departments, having as their principal objective the increase in productivity of the Canadian industrial machine. I think it would take much longer to elaborate all of them, involving a general review of government programs, than a statement on motions would permit.

Mr. Hees: As a supplementary question, would the minister take an appropriate opportunity in the near future to make information on these programs available—

Mr. Speaker: Order.

Mr. Hees: —because obviously they are not having the desired effect at the present time; and does he not think the time has arrived—

Mr. Speaker: Order.

Mr. Hees: —for him and his department, which costs $150 million to operate, to do something constructive?

Mr. Speaker: Order.

[*Translation*]

NATIONAL CAPITAL

DISCUSSIONS RESPECTING ESTABLISHMENT OF FEDERAL DISTRICT

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the right hon. Prime Minister.

Last night on the English network of the C.B.C., while he was being interviewed—and I congratulate him on his answers to the questions, since he spoke as a true Canadian—the Prime Minister said he favoured the creation of a federal district. Is the government now taking measures to meet the authorities concerned so as to implement this project of a federal district?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, we are discussing the matter with the two provinces that would be concerned, and we would also have to discuss it with the municipalities that would be involved.

Mr. Stanley Knowles (Winnipeg North Centre): As a supplementary question, Mr. Speaker, will this matter be referred in any way for discussion by a committee of the house?

Mr. Pearson: I would think that would be appropriate at the right time, Mr. Speaker.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a supplementary question to the Prime Minister.

In view of the fact that a part of Hull will be included in this federal district, does the Prime Minister intend to consult the provincial authorities on the establishment of this national capital district?

[*English*]

Mr. Pearson: Yes, I have just said that, Mr. Speaker. That would be essential.

EMERGENCY MEASURES ORGANIZATION

INQUIRY AS TO POSSIBLE ABOLITION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Minister of Industry. Would he kindly advise the house whether consideration has been given, or is being given at the present time, to the complete abolition of the emergency measures organization, and any financial

assistance to the provinces involved in this type of program?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the position and functions of the emergency measures organization are currently under review. I think it would be wrong, certainly at this juncture, to contemplate the complete abolition of those functions. I think we will always have to carry on with contingency planning against emergencies.

Mr. Lambert: As a supplementary question, would the minister advise whether any reduction contemplated in this organization and its programs is for budgetary reasons?

Mr. Drury: Mr. Speaker, if there is to be any reduction in the functions of this organization it will be because they have a lower priority than some other rather more urgent projects.

[*Translation*]

CANADIAN CONSTITUTION

CONSIDERATION OF RESOLUTIONS ADOPTED AT MONTREAL MEETING

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the Prime Minister. Could he tell us whether it is his intention to place on the agenda of the next federal-provincial conference the resolutions agreed to by the Estates General of the province of Quebec over the week-end?

[*English*]

POST OFFICE DEPARTMENT

VANCOUVER—EMPLOYMENT OF POSTAL TRUCK DRIVERS

On the orders of the day:

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I have a question for the Minister of Labour. Has the minister received urgent representations from postal truck drivers in Vancouver who have been denied employment because they do not live in the Vancouver postal area, even though they have been discharging these duties for years? If so, what steps are being taken to correct this injustice?

Mr. Speaker: Order. May I suggest to the hon. member that the urgency of the matter is not readily apparent.

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

[Mr. Lambert.]

DOMINION-PROVINCIAL RELATIONS

FURTHER LEGAL OPINIONS AS TO OFF-SHORE MINERAL RIGHTS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to put this question to the Prime Minister. On November 8, with reference to the Supreme Court of Canada decision on off-shore rights, I asked the Prime Minister if he would advise the house whether it is the intention of the government to seek further opinions from the court with reference to off-shore rights as they affect other provinces. The Prime Minister said the matter was under study and that he would be reporting to the house in due course. Is he ready now to make this report?

Right Hon. L. B. Pearson (Prime Minister): Not at the moment, Mr. Speaker, but I hope to do so early next week.

AGRICULTURE

REQUEST FOR COMMITTEE CONSIDERATION OF RESOLUTIONS OF OUTLOOK CONFERENCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address this question to the Minister of Agriculture. I apologize for not giving him written notice, but I did communicate orally with his parliamentary secretary. In view of the interest on the part of all parties in this house in the problems of the farmers and rural dwellers, would the minister consider referring the subjects discussed at the annual federal-provincial outlook conference to the standing committee on agriculture, forestry and rural development.

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, the outlook conference in its make-up is a dominion-provincial conference. I do not know whether it would be appropriate for me to submit their findings under this format to the committee. Their report, however, is a public document and, since it is a public document, I feel very certain the committee would have every freedom to study its content if it so wished.

Mr. David MacDonald (Prince): Mr. Speaker, my supplementary question relates to the question the minister was asked with regard to the agriculture committee. A few days ago I asked the Minister of National Health and Welfare whether we could have referred to the committee the report of the Economic Council of Canada on ARDA, P.F.R.A. and M.M.R.A. and their effectiveness. Can the

minister now report to the house whether he will have that report referred to the committee?

Mr. Greene: Mr. Speaker, I am not certain whether the agriculture committee would be the proper forum to which the report of these good ladies should be referred, but certainly I shall be glad to take it up with the Minister of Forestry and Rural Development and give the hon. gentleman's suggestion every consideration.

[*Translation*]

SUGAR BEETS—ANNOUNCEMENT OF SUPPORT PRICE

On the orders of the day:

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, a few days ago the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) inquired about the subsidy to be paid to Canadian producers of sugar-beets for the 1966 crop.

The Agricultural Stabilization Board has decided to set the total amount to be paid at $4.83 per standard ton, including interim instalments paid the producers at the beginning of the year. Cheques will be mailed to eligible producers as soon as the final data have been received from the processors who have been advised of the amount to be paid. The cheques should be ready for mailing before mid-December, provided the processors do not delay in sending us the necessary information. As announced on April 7, 1966, the support price for the 1966 sugar-beet crop will be $14.35 per standard ton.

[*English*]

TRADE

INQUIRY AS TO SIGNING OF INTERNATIONAL GRAINS AGREEMENT

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I would have liked to direct this question to the Minister of Trade and Commerce, but in his absence possibly the Prime Minister or the Minister of Finance may have the information. This being November 30, the last day the international grains arrangement will be left open in Washington for the signatures of the various countries mentioned on page 43, article VI of the convention, could the Prime Minister inform the house whether all nations involved have signed the convention and whether it will be accepted to go into effect July 1, 1968.

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to check into that and answer the question tomorrow. I understand that my colleague has an answer.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I might answer immediately, Mr. Speaker. All signatories to the Kennedy round agreement on grains have signed both conventions of the international grains arrangement or have indicated their intention to do so before the deadline of November 30.

LABOUR CONDITIONS

ATLANTIC PROVINCES—FURTHER LAY-OFFS OF RAILWAY EMPLOYEES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Prime Minister. In view of fears of further lay-offs by the railways which have shaken Moncton and the Atlantic provinces, will the Prime Minister see that a top level meeting is convened immediately between the government and the railways to determine where this whole thing stops and starts in so far as the Atlantic provinces are concerned; and will he make a report to parliament in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to discuss this matter with the Minister of Labour and the Minister of Transport immediately.

CANADIAN BROADCASTING CORPORATION

POSSIBLE DISCONTINUANCE OF INTERNATIONAL SERVICES

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I did not give him notice as this matter came to my attention just a few moments ago, but I believe it falls within his administrative responsibility. Is the government of Canada giving consideration to cutting out the international services of the C.B.C.? If so, in light of the fact that this service constitutes the voice of Canada to the outside world, will the government think again before taking this step?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will take notice of this question.

Inquiries of the Ministry

[*Later:*]

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the hon. lady on the treasury benches. I wonder whether she could advise the house, or at least allay the fears that have arisen in the last day or two, about a possible cut-back in the C.B.C. international service as a result of—

Mr. Speaker: Order, please. The question was asked earlier this afternoon.

Hon. Judy V. LaMarsh (Secretary of State): In any event, Mr. Speaker, I think I would obtain a copy of the text of the Prime international service is a matter for the Secretary of State for External Affairs, not my department.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INCLUSION OF HOSPITAL EMPLOYEES

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I should like to bring this question to the attention of the Minister of Labour. Can the minister say whether a decision has been made in respect of the recommendations of the Gill committee for the inclusion of hospital employees under unemployment insurance?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I do not think it is necessary to implement any of the recommendations of the Gill committee in order to provide coverage for hospital employees. It is now open to hospitals to apply to the commission for coverage. Employees in several hospitals are covered.

EXTERNAL AFFAIRS

TEXT OF STATEMENTS BY PRIME MINISTER AND PRESIDENT OF FRANCE

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, on Monday the Secretary of State for External Affairs was good enough to say he would obtain a copy of the text of the Prime Minister's remarks made in London at Mansion House and a transcript of the press conference of the president of France held the same day. I understand that the text of the Prime Minister's remarks has been circulated. Is the minister now in a position to make available the transcript of the press conference?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker, I will.

[Mr. Martin (Essex East).]

[*Translation*]

SHIPPING

MONTREAL—RECOMMENDATIONS OF PICARD REPORT

On the orders of the day:

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to put a question to the Minister of Labour. Could he tell the house whether it is his intention to adhere to the recommendations of arbitrator Picard concerning the port of Montreal?

[*English*]

Hon. J. R. Nicholson (Minister of Labour): The answer is very simple, Mr. Speaker. Parliament has already accepted the changes proposed in the report.

[*Later:*]

Mr. Nicholson: Mr. Speaker, on Tuesday afternoon the hon. member for Okanagan-Revelstoke inquired as to conditions on the docks in Montreal. I was able to give an interim report only at that time. I have since gone into the facts and find that the longshoremen have returned to work. There were some 60 gangs out yesterday, approximately the same number or more than on the day before. Work is progressing at an encouraging level as compared with the work level that existed at the time the Picard report was handed down.

CANADIAN CONSTITUTION

EXPRESSION OF APPRECIATION OF WORK OF PROVINCIAL CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the obviously great contribution to the strengthening of confederation made by the confederation of tomorrow conference held in Toronto, would the Prime Minister consider it appropriate to send a telegram of appreciation to the prime minister of Ontario?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already telephoned, at lunchtime, the chairman of the conference to congratulate him on the work of the conference.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, will the Prime Minister tell us whether he might take a leaf out of the book of the proceedings of the confederation of tomorrow conference and hold the federal-provincial conference on the bill of rights, which

I believe is planned for January, partly in public so the public may get a view of the important issues involved?

Mr. Pearson: Mr. Speaker, these of course are matters which will be decided by the conference. I appreciate the point made by my hon. friend.

Mr. Brewin: May I ask the Prime Minister also to consider the procedure of the confederation of tomorrow conference whereby members of opposition parties were invited to attend as observers.

Mr. Pearson: They were invited, no doubt, because the conference was held in public.

Hon. George Hees (Northumberland): When sending his wire of congratulation to Premier Robarts regarding the results of the conference just concluded in Toronto, will the Prime Minister also congratulate him on his great initiative and statesmanship in calling the conference in the first place?

Mr. H. E. Gray (Essex West): A supplementary question to the Prime Minister, Mr. Speaker. In discussing the arrangements for this conference with the provincial premiers, would the Prime Minister also take up the possibility of the idea of all members of this house being permitted to attend?

Mr. Pearson: Yes, Mr. Speaker, provided we could get a room large enough.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question of the Prime Minister?

Since he called up the chairman of the Toronto conference to congratulate him, can he tell us if he got in touch also with the chairman of the Estates General?

[*English*]

VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN PENSIONS AND DISABILITY ALLOWANCES

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. Has a decision yet been reached on the request for further interim increases in disability pensions and war veterans allowances pending the tabling of the commission and committee reports?

Inquiries of the Ministry

Hon. Roger Teillet (Minister of Veterans Affairs): No decision has yet been reached, Mr. Speaker.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. Could the minister say whether progress has been made?

Mr. Teillet: I can assure the hon. member that I am making progress.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, because there has been a delay, my question becomes a supplementary question to those put by the hon. member for Fraser Valley (Mr. Patterson) and the hon. member for Kootenay West (Mr. Herridge).

As a matter of fact I wanted to ask the Minister of Veterans Affairs if he can assure the house that he used fully his power of persuasion so that tonight's budget will include a major increase in the pensions and allowances paid to veterans.

[*English*]

ADMINISTRATION OF JUSTICE

REQUEST FOR STATEMENT ON ARREST OF MEMBERS OF CRIME SYNDICATE

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Justice. In view of the fact that members of a criminal syndicate gang have been arrested in Montreal, Calgary and Vancouver, and this appears to be the first breakthrough in combating organized crime in Canada, would the Minister of Justice be prepared to make a statement on this matter? I did not have a chance to give him notice because this matter was brought to my attention when I came into the house. Perhaps the minister would make a statement tomorrow.

Hon. P.-E. Trudeau (Minister of Justice): I am not aware of the facts, Mr. Speaker, and I will look into them before reporting.

Mr. Woolliams: A supplementary question, Mr. Speaker. I wonder whether the minister would check at the same time into why the R.C.M.P. will not give any information to the news media with reference to this organized criminal syndicate.

Mr. Trudeau: Mr. Speaker, questions on the R.C.M.P. should be addressed to the Solicitor General.

Inquiries of the Ministry

Mr. Woolliams: Then may I put the question to the Solicitor General.

Mr. Speaker: Order, please. The hon. member has already put the question.

Mr. Woolliams: Yes, but the Minister of Justice referred it to his friend the Solicitor General. I wonder whether the Solicitor General would answer that question.

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I wish to advise the hon. member that the R.C.M.P. have been very active in this particular investigation, and if they did not make their activities public, it was in the public interest not to do so.

Some hon. Members: Hear, hear.

INQUIRY OF THE MINISTRY

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs whom I would like to assist, as is my custom.

Some hon. Members: Oh, oh.

Mr. Churchill: Would he inform the house concerning the world problems that he intended to discuss this morning at the external affairs committee, which had to adjourn because the Liberal members failed to attend?

Mr. Martin (Essex East): Mr. Speaker, I thank my hon. friend—

Mr. Speaker: Order, please.

PUBLIC SERVICE

COMMITTEE REPORT ON PENSIONS OF RETIRED CIVIL SERVANTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the President of the Treasury Board. Has the government yet made its decision to increase the pensions of retired civil servants, as recommended by the joint committee on May 8?

Some hon. Members: Oh, oh.

Mr. Knowles: Is it not appropriate to get an answer to that question, Mr. Speaker?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. The answer is the same as the one given last time; it is under consideration.

[Mr. Trudeau.]

DEFENCE PRODUCTION

INQUIRY AS TO TENDERS FOR DESTROYER ESCORTS

On the orders of the day:

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, yesterday the junior member for Halifax asked me about the tenders for the new destroyer escorts. The tenders for these vessels were originally called for September 18, 1967. Subsequently, at the request of all bidders, an extension was granted to October 31, and consequent upon a second request for extension, until December 12. The tenders will now close on December 12.

[*Translation*]

FINANCE

INQUIRY AS TO CANADIAN CONTRIBUTION TO U.K. SUPPORT

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the Minister of Finance? Could the minister advise us of the direct or indirect share of Canada in the loans granted to Great Britain lately?

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, that question was put to me the other day, but I believe it is worth while clarifying the position.

Some hon. Members: Hear, hear.

Mr. Sharp: No fresh obligation is laid upon the government of Canada to raise any money either by taxing or by borrowing for the purpose of giving support through the International Monetary Fund or through the Bank of Canada to the pound sterling. Exactly the same sort of transaction took place in 1962 when the International Monetary Fund and central banks around the world came to the support of the Canadian dollar. At that time no resources had to be put out to support the Canadian dollar. I do not expect that any resources of Canada will be needed to support the pound sterling. It has been represented, I believe, that somehow or other in my budget this evening I am going to be raising money for this purpose. I would like to deny that quite categorically.

[*Translation*]

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I should like to put a supplementary question?

Could the Minister of Finance tell the house whether the alleged funds which the member for Lapointe (Mr. Grégoire) obtained lately in Europe under false pretences will be taxable after the budget this evening?

Mr. Speaker: Order.

Mr. Grégoire: Mr. Speaker, may I put a supplementary question related to the question I have already asked.

Can the Minister of Finance tell us whether Canadian currency will be needed precisely to guarantee, through the International Monetary Fund, the loans granted to England lately?

An hon. Member: They are not loans.

[*English*]

Mr. Sharp: The transaction is as I explained it, and I hope my hon. friend will understand and spread my explanation throughout the province of Quebec. I would like to add just this, that all the countries of the world who are members of the International Monetary Fund, including France, Germany, the United States and all the rest of the world, are standing behind the pound sterling as a means of promoting the international stability of the monetary system. I believe we should do this too. It will not require us to raise any fresh resources. We shall simply hold our reserves in one place rather than another.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to direct a question to the hon.—

Mr. Speaker: Order. Since this is a debate, I do not think that the hon. member can—

Mr. Grégoire: Mr. Speaker, I wish to put a supplementary question to the hon. Minister of Finance.

Since the Minister of Finance and Receiver General denies that Canadian resources are needed for those loans to England, then could he tell us what is Canada's role?

Mr. Speaker: Order. I call the hon. member to order. This is a debate, since he is asking a third or fourth supplementary question, and the question is out of order.

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

[*English*]

RURAL DEVELOPMENT

QUEBEC—INQUIRY AS TO SIGNING OF ARDA AGREEMENT

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Forestry and Rural Development. Can the minister advise the house on when he believes it will be possible to sign the agreement under the ARDA program with the province of Quebec?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): I am sorry, Mr. Speaker, I did not hear the beginning of the hon. member's question.

Mr. Keays: Would the hon. minister tell the house when he expects to sign the agreement with the province of Quebec under ARDA?

Mr. Sauvé: Mr. Speaker, the agreement between the province of Quebec and the federal government was signed in January or February of 1965. Negotiations between the two governments will soon begin as to an agreement concerning the development of the lower St. Lawrence territory and the Gaspé peninsula.

Mr. Asselin (Charlevoix): Mr. Speaker, may I ask a supplementary question?

Could the hon. minister tell the house whether his department as well as that of the province of Quebec have made plans so as to conduct similar studies in other counties or areas of the province of Quebec?

Mr. Speaker: Order. This is a very general question and the hon. member could easily place it on the order paper.

CRIMINAL CODE

AMENDMENTS RESPECTING DEATH SENTENCE AND LIFE IMPRISONMENT

The house resumed from Wednesday, November 29, consideration in committee of Bill No. C-168, to amend the Criminal Code.—Mr. Pennell—Mr. Rinfret in the chair.

The Deputy Chairman: When the house rose yesterday, the committee had stood the amendment to clause 3 as indicated in *Hansard* on page 4858 for Wednesday, November 29, and clause 4 of the bill was under consideration.

Amendment Respecting Death Sentence

[*English*]

On clause 3—*Transitional.*

Mr. Pennell: Mr. Chairman, when the debate on this bill was adjourned at five o'clock yesterday afternoon I advised the house that I would take under consideration certain amendments which had been proposed to clause 3. I wish to advise the hon. member for Edmonton-Strathcona, who proposed an amendment, and also the hon. members for Winnipeg North Centre and Greenwood, that I did not lightly dismiss their suggestions. I wish too advise the house that together with my officials and the officials of the Department of Justice I gave lengthy consideration to these amendments. I also discussed with a senior official of the department of the attorney general for the province of Ontario the practical problems raised by the amendments. I understand that the same transitional provisions which are incorporated in clause 3 were used in 1961 when the house faced the same problem.

The Deputy Chairman: Order, please. May I ask hon. members to refrain from conversations or, if they have to converse, to do so in a lower voice.

Mr. Pennell: Thank you, Mr. Chairman. The house faced the same problem at that time as we are facing today, and I wish to say sincerely and respectfully that I propose to follow the precedent set by the hon. member for Kamloops. It is a precedent which has been tried and proven. At the same time I recognize the possibility of some difficulties that were raised by hon. members. However, since I have such an excellent precedent before me I propose to follow it, and I respectfully ask the house to accept the clause as drafted.

Mr. Fulton: Mr. Chairman, I hope I may be permitted to say that while I appreciate the tribute paid to me by the Solicitor General and through me to the draftsmen of that day, I am quite sure that if the provision should not work this time and if difficulties should arise the minister will accept the fact that it is because of his administration and not because of the drafting.

Mr. Pennell: I accept what the hon. member for Kamloops has stated. If there is any praise to be handed out it should go to the officials, and if there is any blame I will accept it as the responsible minister.

[The Deputy Chairman.]

Mr. Nugent: Mr. Chairman, I appreciate the courtesy of the minister in seeing me earlier about this amendment. I recognize the difficulties which may arise in connection with it, and if the committee will give me permission I should like to state that I have the consent of my colleagues to withdraw the amendment I moved last night.

The Deputy Chairman: Is it agreed by the committee that the amendment be dropped?

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. Knowles: May I ask the Solicitor General a question arising out of the statement he made a moment ago. Following the adoption of this procedure in 1961 were there any cases where a person's crime was dealt with under the former law to his disadvantage in the light of the improvement made in 1961? I have in mind the fact that at that time murder was divided into capital murder and non-capital murder. Were there any cases where the transitional provisions worked to the detriment of the accused?

Mr. Pennell: I am advised by my officials that they are not aware of any cases where the provisions worked to the detriment of the accused because of the transitional clause in the bill at the time. We propose to adopt the same procedure and to contact the attorneys general in the several provinces so that we can arrive at a date which we hope will avoid the necessity of any action being taken under clause 3(1)(a).

Mr. Knowles: In other words, as the Solicitor General said yesterday, it is his hope that from the day this law is passed its letter and its spirit will be adhered to in all cases now pending.

Mr. Pennell: That is my hope, Mr. Chairman.

Mr. Brewin: Mr. Chairman, I should like to thank the Solicitor General for taking the trouble to look into this matter carefully, and I would like to say that now he has decided to make no change we will not persist in this matter. If trouble arises, as it may well do, let the blame be on his own head for following the precedent set by the hon. member for Kamloops.

Mr. Fulton: Mr. Chairman, I understand that the amendment previously before the committee has now been withdrawn? If so, I should like to put another amendment before

the committee having to do not so much with the working of the clause as it now stands but rather introducing a new provision.

I am quite sure that the amendment I intend to propose will be of interest to the hon. member for York-Humber and also to other members of the committee because it deals with the matter of compensation to innocent victims of a crime, a subject matter which I believe is one of the most urgent ones requiring consideration in connection with amendments to the Criminal Code. I think that this subject and consideration of the law of insanity as a defence to a criminal charge are two matters urgently requiring consideration and amendment.

Members of the committee will of course appreciate that it is not possible to compensate the victim of a murder, the dead man. But I do think that concern should be had for his family and any other persons dependent upon him. I believe it is only just and equitable that when a murderer has assets he should be required to compensate at least in part the family and dependants of his victim.

• (3:20 p.m.)

I have always said I did not believe in citing the deterrent argument in support of my stand for the maintenance of capital punishment. I put it on another base. On the other hand, I do not believe that the deterrent argument has ever been disproved. I just do not think it is capable of proof one way or the other. As far as a case may be made for saying that the penalty formerly provided had a deterrent effect, the penalty has now, of course, disappeared. But I do not put this amendment forward so much on the basis of its possible deterrent effect, I put it forward on the basis of justice and equity, on much the same basis as I rested my position with regard to the retention of capital punishment generally.

The amendment speaks for itself, Mr. Chairman, so accordingly I will read it and then ask you to put it to the committee. I move:

That clause 3 be amended by renumbering the present subsection (3) as subsection (4) and by inserting the following as subclause (3) thereof:

(3) When in any proceedings referred to in subsection (1) or (2) hereof, any person is convicted of the offence with which he is charged, the court shall, in addition to any other sentence imposed, and after first making inquiry as to the existence and material circumstances of any family or other dependants of the individual in respect of whose death such person has been convicted (hereinafter called the victim), and as to the existence and material circumstances of any family or other dependants of such convicted person and as to the material assets, if any, of such convicted person, make such order and award for the maintenance of the family or other dependants of the victim out of the assets of the convicted person as to the court shall seem just and equitable under the circumstances disclosed by such inquiry.

It will be appreciated by the committee, Mr. Chairman, that what I am suggesting in this amendment is this. At the time the court is passing sentence on a criminal convicted of a crime which, but for the passage of this bill, would have subjected him to capital punishment, and which will now subject him to a sentence of life imprisonment, this provision requires the court to make inquiries, first, into the question whether the victim, the murdered person, left any family or other dependants. If so, the court makes inquiry into their circumstances and material assets with a view to establishing whether they are in need of assistance with respect to their proper maintenance.

The second branch of the inquiry would be this: Does the murderer have any family or other dependants and, if so, what are their circumstances? In my view it would not be right or just or equitable to punish the family or dependants of the murderer for an act for which they were not responsible by depriving them of their assets if those assets are limited. The purpose of this branch of the inquiry, therefore, is to find out what are the circumstances and needs of the family of the convicted person.

The third branch of the inquiry is, of course, whether the convicted person has any assets in fact and, if so, what they amount to and whether there is enough over and above the needs of his own family to provide for the needs and maintenance of the family of the victim. Then after making those inquiries the court would be empowered to make such order and award for the maintenance of the family and other dependants of the victim out of the assets of the convicted person as to the court shall seem just and equitable under the circumstances disclosed by that inquiry.

There is room here for the court to exercise proper equity in dividing the assets, if they are sufficient to be capable of division, between the family of the murderer and the family of the victim, or if there are only enough to provide for the family of the murderer and the court does not think it equitable to deprive his children of the means of maintenance, under those circumstances the court will make such order as justice and equity indicate is appropriate.

Amendment Respecting Death Sentence

Mr. Pennell: Mr. Chairman, I am in sympathy with the spirit of the amendment proposed by the hon. member for Kamloops and it is somewhat in keeping with section 628 of the Criminal Code which now makes provision for the making of an application for compensation for loss of or damage to property. However, the amendment as drafted leaves certain questions unanswered, such as how one determines whether or not a person is a dependant. The amendment does not set out whether it is to be a person aged 16 or under, and as presently drafted it would pose considerable administrative problems for a criminal court.

I can assure the committee that the matter is now under active consideration both by my department and the Department of Justice. Hon. members are also aware that several provinces have taken action in this field. I would therefore respectfully suggest that the matter be left for further action pending completion of the study of the officials in the Department of Justice and in my department. As I stated, the amendment would pose certain problems for the court. The court would have to refer to a definition section. We would also wish to consider compensation for victims of crimes other than murder.

Mr. Gilbert: Mr. Chairman, the members of the New Democratic party agree in spirit with the amendment set forth by the hon. member for Kamloops but like the Solicitor General we see many problems which would confront the court. During the emotional impact of a murder trial it would be very difficult to discuss questions of compensation for the victim of the crime. The Solicitor General is quite correct in saying that the provision should also extend to the victims of other criminal offences. The motion put forward last week by the hon. member for York-Humber which was referred to the standing committee on justice and legal affairs should, I suggest, be studied fully, because I think the proper procedure would be to set up a compensation board which would determine the compensation to be paid to the innocent victims of criminal offences.

• (3:30 p.m.)

I think the hon. member for Kamloops would agree that most murderers have a few assets. To determine what compensation is to be paid to victims an inquiry would have to be set up to examine the murderer's assets and decide whether paying compensation to the victim's family would deprive the murderer's family in any way and thereby place them in an awkward financial position. I think the state, rather than the murderer's family, should be responsible for compensation. I do not think the murderer's family ought to be penalized.

Mr. Pennell: Mr. Chairman, the hon. member for Broadview has brought to my attention a matter that the hon. member for York-Humber has before the house. I think it would be useful to the ministry to have the report of the committee on this point.

Mr. Fulton: I only wish to say, in reply to the point that has been raised, that I agree it would be desirable to deal with compensation to victims of crimes other than murder. I agree with that as a general statement. In this bill, nevertheless, we are dealing with murder only and on this clause it might be out of order to deal with compensation to victims of other types of crime. In any event, not having the assistance of the professional draftsmen who are available to the government it is difficult for me to draft such a comprehensive amendment. I do not think I am qualified to draft such an amendment. I think I was able to draft an amendment dealing with compensation to victims of the type of crime which is being dealt with in this bill, so I confined the amendment to compensation of victims of what would otherwise be capital murder.

The Deputy Chairman: Order, please. The Chair is in doubt about the relevancy of the amendment to clause 3. Since no one is willing to bring up a procedural point I think we might take the vote on the amendment.

[*Translation*]

Mr. Laniel: Mr. Chairman, just a word to say that the amendment would not mean much for the family and dependants of the victims of murderers.

I understand the intention of the hon. member for Kamloops (Mr. Fulton) very well. He wants the criminal to pay compensation for the damage he has caused out of his own money or his property but, to my mind, if one examine the crimes that are committed and the environment in which the criminals live, I cannot see how a study by a judge at the time of sentencing could possibly enable him to find funds that might really help the survivors of someone killed by a criminal.

So, I support the idea of the member for Broadview (Mr. Gilbert) and I think that the

opinion of the majority of members is that we should ask for special legislation providing compensation for the victims of various crimes and ask the government to be more definite. Now, most cases would be provided for and the result would be more objective.

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

[*English*]

Some hon. Members: Question.

Amendment (Mr. Fulton) negatived: Yeas, 43; nays, 69.

The Deputy Chairman: I declare the amendment lost. Shall clause 3 carry?

Mr. Pennell: Mr. Chairman, I was paired. Had I voted I would have voted against the amendment.

Mr. Churchill: I did not think we could pair with other members in committee.

Mr. Cowan: Mr. Chairman, now that we are back on clause 3 of the bill I wish to make some further remarks along the tenor of those that I addressed to the house yesterday afternoon. First, I should like to ask a question of the Solicitor General. He made a statement, when opening discussion on the bill a few moments ago, in which he expressed the indebtedness of the present cabinet to a former minister for certain words that were used in a transitional provision in 1961, I believe. I noticed that when referring to clauses 3(1)(a) and (b) he said that the words are practically the same as those used previously. The Solicitor General should supply the house with an exact copy of the words used in the transitional provision of five of six years ago so that we could compare them with these paragraphs in clause 3 of the present bill. I noticed specifically that he used the words "practically the same". Why did he use the word "practically" if the words are not exactly the same?

I have already said that the burden of proof is on the shoulders of the cabinet to show that clauses 3(1)(a) and (b) were not specifically designed, when the bill was presented on October 19, 1967, to relieve the cabinet from what they might consider their duty in commuting the sentences of two revolutionaries who, when the bill was presented, were under sentence of death. In developing that thought yesterday I quoted extracts from the official reports of the trial in Montreal to show what type of people were under sentence of death at that moment. I cannot believe that the administration prior to this one was faced with any such situation as now exists in the Dominion of Canada when it was preparing its transitional clause five or six years ago.

• (3:40 p.m.)

I understand that if one is a lawyer one is supposed to say: "With all due respect to the Solicitor General". I bow to the usage of these words, but I still would like to see that transitional wording because the burden of proof is on the cabinet to show that these two clauses have not been inserted specifically so as to place on parliament as a whole the responsibility for abolishing the death sentence on two revolutionaries. If the original conviction had not been sustained on appeal and a new trial had been ordered, under clause 3(1)(b) those concerned would not be subject to the death penalty although the crime was committed as long ago as 1964.

I quoted from the official records of the courts with regard to these two men, Schirm and Guenette. Hon. members may recall that during the discussion of this bill yesterday I asked the Solicitor General the following question as reported on page 4858 of *Hansard*:

> Can the Solicitor General tell us what other new trials have been ordered, besides Schirm and Guenette, in the whole of Canada at this time?

The Solicitor General replied:

> I am not aware of any other convictions that have been set aside and new trials ordered.

The exchange continued:

> Mr. Cowan: Since I am not allowed to mention names of particular cases—

I was not allowed to do so, yesterday.

> —might I be allowed to say that I submit that the burden of proof is on the cabinet to show that clause 3(1)(b) was not inserted for the specific benefit of the only new trial so far ordered in all of Canada.

I showed yesterday that the murders were committed in August, 1964, and I read from a Montreal dispatch in the Toronto *Star* of August 31, 1964, and a Montreal dispatch in the Ottawa *Journal* of September 4, 1964, pointing out that these men were described by the police as revolutionaries, as having revolutionary tendencies, as separatists and members of the R.I.N. I should now like to draw the attention of the committee to a report which appeared in the Ottawa *Journal* of September 30, 1964. When the trial was in progress the *Journal* carried a report of the evidence given by two crown witnesses

who described the activities of the new terrorist group—

The Deputy Chairman: I regret to interrupt the hon. member for York-Humber, but may I refer him to standing order 59 (2) which says that speakers in committee must be strictly relevant to the clause under consideration. I would ask the hon. member's co-operation and invite him to refer strictly to clause 3 which is now before the committee.

Mr. Cowan: I drew the attention of the Chair yesterday to the fact that clause 3 (1) (b) refers directly to circumstances in which a new trial of a person for an offence punishable by death has been ordered. I am referring now to the only case, according to the Solicitor General, in which a new trial has been ordered. No trial is yet in process. I wish to comment on this new trial which the Solicitor General said yesterday is the only one affected by this clause.

The Deputy Chairman: I regret to interrupt the hon. member but I would ask him to comment on the clause and not on a particular trial. I think the hon. member's remarks should be relevant to the clause before us.

Mr. Cowan: I submit that the burden of proof is on the cabinet to prove that this clause was not put into the bill in order to cover specifically the cases of Schirm and Guenette, convicted revolutionaries who were sentenced to death, appealed to the Supreme Court of Quebec and are now waiting for a new trial and a new charge to be laid against them. I can surely refer to the courts of this land when we are discussing capital punishment Bill C-168, particularly when I am referring to the only case which is covered.

In the Ottawa *Journal* of September 30, 1964 there is a report of the evidence given by one Tardif who turned Queen's evidence and is now serving a life sentence in connection with those charges—

Mr. Brewin: On a point of order, Mr. Chairman, the hon. member appears to be referring to the evidence given in a particular case in which a new trial has been ordered and which is before the courts. I submit it is wrong and improper for him to refer directly or indirectly to this case. It might well be prejudicial to the administration of justice if this committee were to discuss a case pending before the courts.

[Mr. Cowan.]

Mr. Otto: On the point of order, I do not intend to advocate the position adopted by the hon. member for York-Humber. As you know, Mr. Chairman, he and I are on opposite sides of this question. But the point of order which has been raised is an important one. It seems to be covered by citation 149 of Beauchesne which states that an hon. member may not bring up any matter on which a judicial decision is pending. If the Chair were to interpret this rule as meaning that where a trial has been held and a judicial decision is pending no discussion in the house can be permitted, I would have no quarrel with that ruling.

In the particular case referred to by the hon. member for York-Humber, however, I understand that though a new trial has been ordered it has not yet commenced. There may have been an indictment, but that is all. If the ruling of the Chair is that the prohibition in Beauchesne extends to every procedure of litigation or criminal prosecution, we must decide whether it is to be limited to criminal prosecutions or interpreted as covering the whole gamut of civil proceedings as well. If Your Honour rules that it applies to all proceedings, then any subject which is a matter of litigation at any stage, even privately, becomes taboo in this house. If this is the case I cannot understand how this house can function. For example, it is obvious that where it is intended to abandon certain railway lines, any individual can sue the C.N.R.

Mr. Grafftey: The legal mind at its worst.

Mr. Otto: Yet if this rule were strictly applied the house would be prevented from discussing the subject. In his notes I believe Mr. Dawson refers to four examples, two of them in 1897 when, criminal cases being in process, a speaker was denied the right to bring up the subject. The other two cases were in 1927 and 1942. The first had been referred by the government itself to the Supreme Court of Canada. The second one was a judicial inquiry in 1942, also instituted by the government and it was ruled that that subject, in a very limited way, might be discussed.

• (3:50 p.m.)

But, Mr. Chairman, if you rule that any matter under court jurisdiction, or any matter that is under review by the courts resulting from the issuance of a writ, cannot be discussed then I suggest to you that the House of Commons is going to find it very difficult to function. I suggest that if you rule at all you should interpret the provision in a

very strict sense, namely, that where a judicial decision is pending, where proceedings have been completed but a decision is pending, then an hon. member should be allowed to speak on the matter.

The Deputy Chairman: I thank the hon. member for York East for the submission he has put before the Chair. I certainly heard it with interest and I will read it with greater interest tomorrow, but I think the fundamental rule which should be applied at this time is the rule of relevancy. This was mentioned to the hon. member for York-Humber yesterday, and I would like him to adhere to the rule of relevancy during consideration of clause 3 now before the committee.

Mr. Cowan: Mr. Chairman, I have always considered the relationship of relevancy and I am considering it now. What is more relevant to clause 3(1)(b) of the present bill than a murder case in the city of Montreal, which the Solicitor General himself has said is the only one he is aware of where a new trial has been ordered? I wish to refer to that one new trial, which is the only one at the present time covered by clause 3(1)(b). That is what I was doing yesterday and that is what I am doing today. I wish to point out some of the legal background concerning that one new trial which the Solicitor General said yesterday was the only one covered by this clause. My argument is that the cabinet should prove to us—the burden of proof is on their shoulders, to use another phrase of the Solicitor General—that this clause was not put in the bill to take the fear of the death penalty away from the minds of these two men.

I have been endeavouring to read an extract from the Ottawa *Journal* of September 30, 1964, where a report appeared concerning one Tardif who had given evidence. As I said before, he is doing a life sentence now as the result of a conviction in connection with the same case. I read the following:

Tardif said he heard of the A.R.Q.—

The Armée Revolutionnaire du Québec.

—in mid-July. Its goal was to "liberate the country." The group decided to "requisition" arms from armouries or stores.

Tardif said he and Edmond Guenette, 20, and Francois Schirm, 32, met at a camp near St. Boniface 80 miles northeast of Montreal to "discuss what was going on in the province." Schirm was the chief, the rest were "soldiers."

The members of A.R.Q. contributed their own funds. Tardif said he spent $400.

Gilles Brunet, father of six children ... said that obtaining weapons was mentioned at two early A.R.Q. meetings and that Schirm was armed when he visited the remote camp. Brunet identified all the accused as being present at the camp on one of his trips.

Brunet said the camp's aim was to "form character" for persons planning separatist demonstrations in Montreal—

Previous witnesses testified to finding a large quantity of communist and separatist literature near the St. Boniface camp. One edition of Resistance—Independance ou Mort (Resistance—Independence or Death) was sub-titled 1837-196?—

L'Armée de Libération du Québec was smashed last spring following arms raids on armouries in Montreal and Shawinigan, Que.—

The Deputy Chairman: Order. I regret to interrupt the hon. member but I have risen three or four times asking him to co-operate with the Chair and the committee. I ask him to please refer strictly to clause 3 and not refer to one trial in particular. I ask him to be relevant to the clause before the committee.

Mr. Cowan: Mr. Chairman, I submit that the burden of proof is on the cabinet to prove that this clause was not specifically worded to relieve them of their responsibility, as they would call it, of commuting any death sentence on these two men and instead placing the responsibility upon the whole parliament of Canada by bringing in this bill so soon after the definite vote in April, 1966.

As I said before, I place a great deal of importance on the word "practically" that the Solicitor General used a moment or so ago. It is only one word but it can mean a great deal. Yesterday I quoted a speech of the Prime Minister of this country in which he said that this parliament, the parliament now sitting in this chamber, would be given the opportunity of ruling once and for all on the question of the death penalty. In reading *Hansard* yesterday in the form in which it is before it goes to the printers, I noticed that the *Hansard* reporter had struck out the word "this". I put the word "this" back in because I had quoted the Prime Minister as saying "this parliament". As I say, one word can mean a great deal.

I have already asked that the Solicitor General show us the transitional provision that was introduced by the hon. member for Kamloops when he was minister of justice so that we can see where it differs from clause 3 in this bill. The Solicitor General says they are practically the same. I would like to see the specific differences. In addition, I submit that the burden of proof is on the cabinet to show that this bill was not rushed into this

house in October, 1967, for one specific purpose.

Mr. Pennell: Mr. Chairman, I would like to make just two points. The first is that there are now 15 persons before various courts of appeal in Canada and it is possible that one or more of them may be granted a new trial, and of course it follows logically that we have to make provision for this contingency.

So far as clause 3(1)(b) is concerned, may I refer to the act passed in 1961 amending the Criminal Code in respect of capital murder, section 17(1)(c), and I ask the hon. member to look at the bill now before the committee and follow along as I read the transitional provisions in the bill of 1961. Section 17(1)(c) reads:

(c) where a new trial of a person for the offence has been ordered by the court of appeal or the Supreme Court of Canada and the new trial is commenced after the coming into force of this act, the new trial shall be commenced by the preferring of a new indictment before the court before which the accused is to be tried, and thereafter the offence shall be dealt with, inquired into, tried and determined, and any punishment in respect of the offence shall be imposed, as if it had been committed after the coming into force of this act.

I think it follows rather clearly that we have followed the same provisional clause that is in the 1961 act.

Mr. Alkenbrack: Arising out of the minister's remarks I would like to ask him one question. Of the 17 men who at the time of the second reading of this bill were under sentence of death, how many were under that sentence for murdering a policeman or prison guard?

Mr. Pennell: To the best of my knowledge, and this is confirmed by one of the officials beside me, none.

Mr. Cowan: May I ask the Solicitor General to read to us the section in the 1961 act corresponding to clause 3(1)(a). He has read the one referring to clause 3(1)(b). The present cabinet so frequently refer to the fact that they are using the very same words and the very same laws as the previous cabinet used that I often wonder why I was asked to stand for election in order to defeat the previous cabinet. I would like to have the corresponding words for clause 3(1)(a).

• (4:00 p.m.)

Mr. Pennell: Mr. Chairman, section 17(1)(a) as set out in the Criminal Code—Capital murder—reads as follows:

(a) subject to paragraph (b), the offence shall be dealt with, inquired into, tried and determined, and any punishment in respect of that offence shall be imposed, as if this act had not come into force;

[Mr. Cowan.]

I suggest that this follows very closely the wording in clause 3(1)(a) of Bill No. C-168.

Clause agreed to.

On clause 4—*Duration and expiration of act.*

[*Translation*]

Mr. Asselin (Charlevoix): Mr. Chairman, I should like to put a short question to the Solicitor General (Mr. Pennell). At the end of clause 4, it is said that this act—

—shall then expire unless before the end of that period parliament, by joint resolution of both houses, directs that it shall continue in force.

I should like to know what the minister has in mind. Would it be a government resolution or a resolution by a private number or a member of the other place? I think it is rather important to know.

[*English*]

Mr. Pennell: Mr. Chairman, I believe the resolution could be proposed by a private member or it could be a resolution introduced by a member of the government.

[*Translation*]

Mr. Asselin (Charlevoix): Mr. Chairman, has the minister anticipated in this case that it should be a bill proposed by the government, since the bill now under consideration is a government order, having been introduced by a government member, because it is customary—but not mandatory—that a bill be repealed by another legislation introduced by the government?

I wonder, therefore, whether the minister, under the provisions of this clause, intended that abolition be provided also in a government bill?

[*English*]

Mr. Pennell: Mr. Chairman, if this bill should pass, I think in the light of experience at the end of the proposed five year trial period the government would take the appropriate action. It could if it wished, I suppose, introduce a bill dealing with capital punishment. I do not see that this particular provision ties the hands of parliament five years hence.

Mr. Knowles: Mr. Chairman, I wonder whether the Solicitor General could give us the benefit of the consideration he gave overnight to suggestions that were made yesterday. I have in mind in particular the suggestion I made that clause 4 might be so worded

as to make the situation equal five years from now between the two sides rather than being loaded one way as I think it is.

Mr. Pennell: Mr. Chairman, I hope that my very brief reply does not appear to indicate that I am being discourteous to the hon. member. I went so far as to look at the provision in the Bill of Rights, which contains a clause somewhat similar to the one suggested by the hon. member for Winnipeg North Centre. However, after considerable consideration I felt that perhaps I ought not to make any change or offer any amendment to the bill as it is now drafted. I wish to thank the hon. member. We had a conversation about this point after the house adjourned last night at which time I said I would give the matter further thought, but I am still of the same opinion.

Mr. Knowles: I thank the minister for his courtesy too. As he realizes, some of us are still of the opinion that it would be better to draft clause 4 in such a way as to make it completely equal in 1972 or, failing that, that clause 4 should not be there at all.

Mr. Alkenbrack: Mr. Chairman, I should like to ask the Solicitor General this question. Having regard to the indefinite life of this government, can he guarantee that there will be no more ameliorating amendments to the Criminal Code brought forward by this government?

Mr. Bell (Saint John-Albert): Mr. Chairman, I appreciate the difficulty of bringing in amendments on this point but may I ask the minister whether he is satisfied that there is no way in which we can prevent in five years another full-scale debate on this subject?

Mr. Pennell: Mr. Chairman, I have always felt that parliament is master of its own procedures and rules. I shall not forecast what parliament may or may not do five years hence.

Clause 4 agreed to on division: Yeas, 58; nays, 16.

The Deputy Chairman: I declare the clause carried.

On clause 5—*Coming into force.*

Mr. Enns: Mr. Chairman, may I ask what I believe is a very obvious question and one which I hope you will permit me to put. Clause 5 states that this act shall come into force on a day to be fixed by proclamation. Lest there be any suspicion that there might be any retroactive element in this clause I am sure the minister can state that the date to be fixed will follow the passage of the bill by this house rather than a retroactive date.

Mr. Pennell: I can give that assurance to the hon. member.

Mr. Knowles: Mr. Chairman, can the minister give the assurance that proclamation will be effected as soon as possible after the bill has been passed?

Mr. Pennell: As I said earlier, we will confer with the attorneys general and it will be brought into effect as soon as it is practicable to do so.

Clause agreed to.

Bill reported.

• (4:10 p.m.)

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

Some hon. Members: Now.

Mr. Pennell moved the third reading of the bill.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, we have now reached the position that Bill C-168 has been given second reading and has been considered by the committee of the whole house, embodying approval in principle of the maintenance of capital punishment for those who deliberately murder policemen or guards. I have not advanced arguments in favour of retaining capital punishment as a deterrent, but as the government feels this feature should be retained in so far as policemen and guards are concerned it is my belief that the house should determine whether the death penalty for the crime of murder should also be exacted in respect of those who deliberately murder children. The instances may not be many but the disaster to a family is appalling. The Lindbergh case will come to mind. We must also consider the deliberate killer who by means of a bomb deliberately destroys an aircraft, some of whose passengers are likely to be children.

It is not my intention to debate this matter at length but I think the house should have the opportunity to express its opinion by a recorded vote. Therefore, I move, seconded by the hon. member for Shelburne-Yarmouth-Clare (Mr. Bower):

That Bill C-168 be not now read the third time, but that it be referred back to the committee of

Division

the whole house with instructions that they have the power to amend section 1, subsection 2 thereof by the addition of a new paragraph with the words "any child under sixteen years of age".

The Acting Speaker (Mr. Tardif): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Tardif): All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Tardif). All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Tardif): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Tardif): Call in the members.

[*And the members having been called in*]

• (4:30 p.m.)

Mr. Speaker: Order, please. May I suggest to hon. members that the vote might be taken as in committee of the whole and that we start with the first row to my left.

Some hon. Members: Agreed.

The house divided on the amendment (Mr. Churchill) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Bell (Saint John-Albert)
Bower
Brand
Caouette
Caston
Churchill
Clancy
Clermont
Code
Comtois
Cowan
Crouse
Danforth
Dionne
Duquet
Fane
Gauthier
Godin
Gundlock
Harkness
Hees
Horner (Acadia)
Horner (The Battlefords)
Irvine
Isabelle
Keays
Kindt
Korchinski
Lambert
Langlois (Chicoutimi)
Laniel
Latulippe
Leblanc (Laurier)
LeBlanc (Rimouski)
Lessard
Lind
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McIntosh
McKinley
McLelland
Madill
Matte
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Patterson
Pugh
Racine
Rapp
Rinfret
Rynard
Scott (Victoria (Ont.))
Simard
Simpson
Smallwood
Smith
Starr
Stefanson
Thomas (Middlesex West)
Webb
Woolliams—68.

NAYS

Messrs:

Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Barnett
Basford
Béchard
Beer
Bell (Carleton)
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cashin
Chatwood
Chrétien
Côté (Longueuil)
Deachman
Diefenbaker
Dinsdale
Douglas
Drury
Dubé
Émard
Enns
Ethier
Fawcett
Forrestall
Gendron
Germa
Gilbert
Goyer
Granger
Grafftey
Gray
Greene
Habel
Harley
Herridge
Honey
Hopkins
Howard
Hymmen
Jamieson
Johnston
Jorgenson
Knowles
Laflamme
Laing
LaMarsh (Miss)
Lefebvre
Legault
Lewis
Loiselle
MacDonald (Prince)
MacEachen
McIlraith
McWilliam
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Morison
Munro
Nasserden
Neveu
Nicholson
Nowlan
Nugent
Orlikow
Otto
Ouellet
Pearson
Pennell
Pepin
Peters
Pilon
Prud'homme
Reid
Rideout (Mrs.)
Rochon
Roxburgh
Saltsman
Sauvé
Sharp
Sherman
Stafford
Stanfield
Stewart
Tardif
Teillet
Tremblay (Matapédia-Matane)
Tremblay (Richelieu-Verchères)
Trudeau
Turner
Wahn
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winch—109.

• (4:40 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Flemming: Mr. Speaker, I was paired with the Minister of Fisheries. Had I voted I would have voted for the amendment.

Mr. Ballard: Mr. Speaker, I was paired with the hon. member for Verdun. If I had voted I would have voted in favour of the amendment.

Mr. Addison: Mr. Speaker, I was paired with the hon. member for Hamilton West.

Mr. Haidasz: Mr. Speaker, I abstained from voting because I was paired with the hon. member for Northwest Territories.

Mr. Tucker: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

[*Translation*]

Mr. Thomas (Maisonneuve-Rosemont): Mr. Speaker, I was paired; otherwise, I would have supported the amendment.

[*English*]

Mr. Speaker: Is the house ready for the question?

Mr. Robert McCleave (Halifax): Mr. Speaker, I wish to move an amendment. My remarks will be brief and if there is no disposition on the part of the house to debate it we can immediately proceed to a vote.

There was discussion in the committee not only of the class of person just considered in the last vote but also of cases where women are murdered or people who go to the assistance of police officers are murdered and whether the murderers in such cases should be required to pay the supreme penalty. While attendance in the committee was large, I recall there was still only about two-thirds of the total membership present, and perhaps it is important that the house make a declaration on this point. I therefore move:

That Bill No. C-168 be not now read a third time but that it be referred back to the committee of the whole house for the purpose of reconsidering the various categories of persons whose murder is considered to be capital murder, as set out in clause 1, subsection 2, of the said bill.

Mr. Speaker: I should bring to the attention of the house that there appears to be serious doubt as to the amendment from a procedural point of view. Perhaps hon. members have arguments for the guidance of the Chair, but I must say that this amendment appears to go beyond the terms of the bill, the principle of which has already been accepted. However, I will entertain arguments if hon. members have views to express on this very point.

Mr. Churchill: Mr. Speaker, I wonder whether the amendment does go beyond the bill. The bill sets out a principle which states that persons who murder certain categories of people shall be subject to the extreme penalty. All the amendment is asking the house to consider, as I understand it, is sending the bill back to the committee for reconsideration of the particular clause. It might well be that the clause would be reduced in scope rather than enlarged. I do not think it follows that the clause would be enlarged.

Mr. Speaker: I think I should bring to the attention of hon. members that throughout this debate both in committee and with the Speaker in the chair we have tried to be as lenient as possible in the consideration of procedural points. Perhaps it would be the disposition of the house, in spite of the reservations I have about the amendment, that the question should be put.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker—

Mr. Speaker: Perhaps the hon. member has not heard me say that I have decided to accept the amendment submitted to the house.

[*English*]

Is the house ready for the question?

Some hon. Members: Question.

Mr. Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Is there a disposition on the part of hon. members to call the vote now without ringing the bells?

Some hon. Members: Agreed.

Division

The house divided on the amendment (Mr. McCleave) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Bell (Saint John-Albert)
Bower
Brand
Caouette
Caston
Churchill
Clancy
Code
Comtois
Cowan
Crouse
Danforth
Dionne
Duquet
Fane
Gauthier
Godin
Gundlock
Harkness
Hees
Horner (Acadia)
Horner (The Battlefords)
Irvine
Keays
Kindt
Korchinski
Lambert
Leblanc (Laurier)
Lind
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McIntosh
McKinley
McLelland
Madill
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Patterson
Pugh
Racine
Rapp
Rynard
Scott (Victoria (Ont.))
Simpson
Smallwood
Starr
Stefanson
Thomas (Middlesex West)
Webb
Woolliams—57.

NAYS

Messrs:

Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Barnett
Basford
Béchard
Beer
Bell (Carleton)
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The-Islands)
Cantelon
Cantin
Cashin
Chatwood
Chrétien
Coté (Longueuil)
Deachman
Diefenbaker
Dinsdale
Douglas
Drury
Dubé
Émard
Enns
Ethier
Fawcett
Forrestall
Gendron
Germa
Gilbert
Goyer
Granger
Grafftey
Gray
Greene
Harley
Herridge
Honey
Hopkins
Howard
Hymmen
Isabelle
Jamieson
Johnston
Jorgenson
Knowles
Laflamme
Laing
LaMarsh (Miss)
Langlois (Chicoutimi)
Laniel
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lewis
Loiselle
MacDonald (Prince)
MacEachen
McIlraith
McWilliam
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matte
Morison
Munro
Nasserden
Neveu
Nicholson
Nowlan
Nugent
Orlikow
Otto
Ouellet
Pearson
Pennell
Pepin
Peters
Pilon
Reid
Rideout (Mrs.)
Rochon
Roxburgh
Saltsman
Sauvé
Sharp
Sherman
Smith
Stafford
Stanfield
Stewart
Tardif
Teillet
Tremblay (Matapédia-Matane)
Tremblay (Richelieu-Verchères)
Trudeau
Turner
Wahn
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winch—114.

• (4:50 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Flemming: I was paired with the Minister of Fisheries. Had I voted I would have supported the amendment.

Mr. Ballard: I was paired with the hon. member for Verdun. Had I voted I would have voted in favour of the amendment.

Mr. Tucker: I was paired, Mr. Speaker. Had I voted I would have voted against the amendment.

Mr. Addison: I was paired with the hon. member for Hamilton West. Had I voted I would have voted in favour of the amendment.

Mr. Haidasz: I abstained from voting because I was paired with the hon. member for Northwest Territories.

[*Translation*]

Mr. Thomas (Maisonneuve-Rosemont): Mr. Speaker, for the same reason as earlier, I was paired. Otherwise, I would have voted for the amendment.

Mr. Clermont: Mr. Speaker, I was paired. Had I voted, I would have voted for the amendment.

[*English*]

Mr. Speaker: Is the house ready for the question?

[Mr. Speaker.]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, only two words before the vote on third reading, to say that this bill, which will likely be law in a few minutes, does not reflect the will of the Canadian people at all.

In fact, questionnaires have been sent and referendums held, not only in the province of Quebec, but throughout Canada. I even received letters from people in British Columbia and Alberta, who were opposed to abolition of the death penalty.

At Montreal Expo, where the question "Are you for or against the death penalty?" was put to the public—I understand that some people may have voted twice as we can see on election day in the old political parties—five million and a half said they were in favour of the death penalty while 19,000 only were for its abolition.

The other day, while in the hospital in Montreal, I heard on the radio programs on which the listeners were asked the question and invited to phone in their answer and I did not hear a single one call in and say: I am for the abolition of the death penalty. All, without exception, stated that the death penalty should be maintained in Canada and gave their reasons.

Therefore, Mr. Speaker, before this vote is taken, I want to state very clearly that I am against the abolition of the death penalty, in order to respect the opinion of the Canadian people.

[*English*]

Mr. Speaker: The question is on the main motion. Is the house ready for the question?

Some hon. Members: Question.

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

Some hon. Members: No.

Mr. Speaker: Those in favour, will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

Division

And more than five members having risen:

Mr. Speaker: Is it the wish of the house to take the vote without ringing the bells?

Mr. Webb: Mr. Speaker, I point out that in my opinion—

Some hon. Members: Order.

Mr. Webb: —those who voted against these amendments today have voted actually—

Mr. Speaker: Order, please. The hon. member cannot reflect on a vote. Unfortunately, the question has already been put.

Mr. MacInnis (Cape Breton South): On a point of order—

Mr. Speaker: The question has been put and I suggest to hon. members that it may now be difficult to move points of order.

Mr. MacInnis (Cape Breton South): On a question or privilege, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. MacInnis (Cape Breton South): I draw to Your Honour's attention that the hon. member who spoke just before me was on his feet before Your Honour put the question.

Some hon. Members: No, no.

Mr. MacInnis (Cape Breton South): He was trying to make himself heard and he could not be heard.

Mr. Speaker: I regret I did not see the hon. member. In any event, I must bring to the attention of the hon. member who spoke previously that his remarks were out of order since he was attempting to reflect on a vote. That is against the rules of the house.

Mr. MacInnis (Cape Breton South): On a further question of privilege, Mr. Speaker—

Some hon. Members: Order, order.

Mr. MacInnis (Cape Breton South): —the hon. member could not express his opinion. Retentionists on the back benches claim they saw him trying to catch Your Honour's eye.

Mr. Churchill: Are the bells ringing, sir?

Mr. Speaker: Call in the members.

Division

The house divided on the main motion (Mr. Pennell) which was agreed to on the following division:

• (5:00 p.m.)

YEAS

Messrs:

Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Barnett
Basford
Béchard
Beer
Bell (Carleton)
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Byrne
Cadieux (Terrebonne)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cashin
Chatwood
Chrétien
Côté (Longueuil)
Deachman
Diefenbaker
Dinsdale
Douglas
Drury
Dubé
Émard
Enns
Ethier
Fawcett
Forrestall
Gendron
Germa
Gilbert
Goyer
Granger
Grafftey
Gray
Greene
Harley
Herridge
Honey
Hopkins
Howard
Hymmen
Jamieson
Jorgenson
Knowles
Laflamme
LaMarsh (Miss)
Lefebvre
Legault
Lewis
MacDonald (Prince)
MacEachen
McIlraith
McWilliam
Marchand
Martin (Essex East)
Martin (Timmins)
Mather
Matheson
Morison
Munro
Nasserden
Neveu
Nicholson
Nowlan
Nugent
Orlikow
Otto
Ouellet
Pearson
Pennell
Pepin
Peters
Pilon
Reid
Rideout (Mrs.)
Rochon
Roxburgh
Saltsman
Sauvé
Sherman
Stafford
Stanfield
Stewart
Tardif
Teillet
Tremblay (Matapédia-Matane)
Tremblay (Richelieu-Verchères)
Trudeau
Turner
Wahn
Walker
Watson (Châteauguay-Huntingdon-Laprairie)
Whelan
Winch
Yanakis—105.

NAYS

Messrs:

Alkenbrack
Asselin (Charlevoix)
Bell (Saint John-Albert)
Bower
Brand
Caouette
Caston
Churchill
Clancy
Code
Comtois
Cowan
Crouse
Danforth
Dionne
Duquet
Fane
Gauthier
Godin
Gundlock
Harkness
Horner (Acadia)
Horner (The Battlefords)
Irvine
Johnston
Keays
Kindt
Korchinski
Laing
Lambert
Langlois (Chicoutimi)
Laniel
Latulippe
Leblanc (Laurier)
LeBlanc (Rimouski)
Lessard
Lind
Loiselle
MacEwan
MacInnis (Cape Breton South)
MacLean (Queens)
MacRae
McCleave
McIntosh
McKinley
McLelland
Madill
Matte
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Patterson
Pugh
Racine
Rapp
Rinfret
Rynard
Scott (Victoria (Ont.))
Simard
Simpson
Smallwood
Smith
Southam
Starr
Stefanson
Thomas (Maisonneuve-Rosemont)
Thomas (Middlesex West)
Webb
Woolliams—70.

• (5:20 p.m.)

Mr. Speaker: I declare the motion carried.

Mr. Flemming: Mr. Speaker, I was paired with the Minister of Fisheries. Had I voted I would have voted against third reading.

Mr. Tucker: Mr. Speaker, I was paired. Had I voted I would have voted for the motion.

Mr. Habel: Mr. Speaker, I was paired with the hon. member for Peterborough. Had I voted I would have voted against third reading.

Mr. Addison: Mr. Speaker, I was paired with the hon. member for Hamilton West. Had I voted I would have voted against the motion.

Mr. McLean (Charlotte): Mr. Speaker, I was paired with the hon. member for Royal. Had I voted I would have voted against the motion.

Mr. Ballard: Mr. Speaker, I was paired with the hon. member for Verdun. Had I voted I would have voted in favour of the motion.

Mr. Haidasz: Mr. Speaker, I refrained from voting because I was paired with the hon. member for the Northwest Territories.

[*Translation*]

Mr. Clermont: Mr. Speaker, I was paired with the hon. member for Saint-Denis (Mr.

Prud'homme). Had I voted, I would have voted against the motion.

[*English*]

Bill read the third time and passed.

JUDGES ACT

AMENDMENTS INCREASING NUMBERS OF SUPREME AND COUNTY COURT JUDGES

Hon. P.-E. Trudeau (Minister of Justice) moved the second reading of Bill No. C-185, to amend the Judges Act.

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

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to say a few brief words on this bill. I support the principal purpose of the bill because I have personal knowledge of the need for the appointment of more judges to the bench in the province of British Columbia as the result of the backlog of court cases which has arisen owing to the increase in the population of British Columbia and other developments.

I must say I have had quite a lengthy experience with and personal knowledge of members of the bench in British Columbia in the supreme court, county courts and magistrate's courts. I think I can properly say that their code of conduct has been of a very high order indeed. While in principle I am opposed to the partisan appointment of persons to the bench, I am not quite sure just what is the best way to correct this.

I should like to give an illustration to point out how fair I found a magistrate to be on one occasion. Along with ten other farmers in my riding I was charged with failure to have a dog licence. We appeared in court before the magistrate. We were all fined $2.50 apiece. After the others had left the court room the magistrate, who had asked me to remain behind, said, "Herbie, you are the president of the B.C. Liberal Association and I am a lifelong member. I was appointed by the Liberal government, but regardless of that the law is the law." He could not deviate from the law. I gave him credit for this.

There have been suggestions that appointments to the bench be made by the Canadian Bar Association. I cannot agree with that. Why should the bar association be given the right to choose such persons? Why should it not be the working people? Why should it not be the small business people or those in other occupations? I cannot agree with the principle that one group in our society should have the right to make these appointments. I believe we would then have another form of political or partisan appointments because they would be looked at from one point of view. To have persons occupying prominent positions on the bench through appointment by the bar association, the law society, or whatever it is, would be just like asking the grocers in Canada to appoint the men who inspect weights and measures. I believe there would be just as much reason in that.

• (5:30 p.m.)

I am not certain what can be done about this problem. I have heard persons discuss it. Many people are endeavouring to think of another way by which persons might be appointed to the bench. Perhaps the government might appoint a board representing the major segments of our society including lawyers, farmers, trade unionists and businessmen. In this way the government would not be subject to the accusation that it makes political or partisan appointments. In this regard I am not clear about the best thing to do. Let me hasten to say that to date, on the basis of my experience in British Columbia, with very few exceptions those who have been appointed to the bench have served this country well.

Mr. John Gilbert (Broadview): Mr. Speaker, I thought the Minister of Justice (Mr. Trudeau) would make a statement when introducing this bill. I doubt that many members are opposed to the appointment of more judges. The increase in population is accompanied by an increase in the number of cases and in many provinces court calendars are far behind schedule. In some I understand it takes one, two or even three years before a case comes to trial. The old adage that justice delayed is justice denied certainly applies. One welcomes the increase in the number of judges in certain provinces.

I thought that the Minister of Justice would make a preliminary statement regarding the method of appointing judges because it is most important. I must congratulate the minister on the appointments he has made since assuming his cabinet position. The old criticism that judges were appointed along party lines as party supporters appears to be diminishing. It is my understanding that in one province particularly the minister has crossed party lines by appointing a judge not because of political affiliation but because of ability, merit and experience. The minister is to be congratulated in this regard and I hope he will continue this procedure.

The hon. member for Kootenay West (Mr. Herridge) is opposed to the bar association appointing members to the bench. The Canadian Bar Association has taken the position that it should never have the prerogative of appointing members to the bench and that it should always remain with the Minister of Justice. What the association has said is that through a committee of the association they should present nominees for judgeships, which would not be binding on the minister, and that the minister should at least consider those names when deciding whom to appoint. This is a good idea because it removes the matter from the realm of political partisanship such as has prevailed in the past. This has made the job of the judge more difficult when he takes his place on the bench.

The minister is very forward-looking and I thought he would make some suggestion regarding the procedures for the removal of judges. A recent case certainly indicates the necessity for amending the procedures in this regard. It is one thing to have security of tenure but it is another thing when, because of difficulties, a judge should be removed from his position. We should update our machinery in this regard.

My final point relates to the training of judges. Under our Canadian system most judges have experience both as barristers and solicitors but in many cases the weight of their experience is on the solicitor side. When they accept an appointment to the bench they have to deal with many branches of the law in which they are not experienced. It is my hope that the Minister of Justice can devise some system whereby an individual appointed as a judge may sit with a senior judge for a period of time in order to acquire experience in the procedures of every branch before presiding over cases.

Again I welcome the appointment of additional judges. I hope the minister will continue to be forward-looking and will bring about other corrections.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a very few remarks to make about the level of pay for judges. Let me point out to those people who point the finger at the level of pay for parliamentary members that the level for judges has been increased twice since the increase in pay for members of parliament some four and a half years ago and exceed it by $9,000 per annum for superior court judges.

Let me raise another point which I have raised previously with the Minister of Justice (Mr. Trudeau) and the Solicitor General (Mr. Pennell). I refer to what I believe is a discrimination arising in respect of two superior court judges, one in the Northwest Territories and one in the Yukon. Some considerable time ago they received a northern allowance to compensate them for the very high expenses they incur. This is true not only in the case of their regular duties but also to compensate in respect of their non-appointment, similar to their colleagues, to head up various judicial inquiries and commissions. The hon. member for Carleton (Mr. Bell) has advanced the proposition that judges should not be used for these purposes. However, judges are being used and I do not understand why these two judges should be doubly penalized. Anyone who suggests that the justices of the Northwest Territories and the Yukon are receiving sufficient remuneration in comparison with their colleagues in the southern part of Canada should live in the north for a while to find out just what I mean.

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I welcome the provisions of this bill in respect of the appointment of more judges in the province of British Columbia where they are needed because of the great time lapse between a case being set down for trial and actually coming to trial. I feel that I should make one suggestion in this regard. Judges have a responsibility to assure that the matters before them are dealt with as expeditiously as possible. While the administration of our courts is technically a provincial matter, I should like to suggest to the Minister of Justice (Mr. Trudeau) that in British Columbia, and I assume the same is true of other provinces, the courts take a long two months vacation in the summer, July and August. This is a terribly antiquated and outdated court procedure which should be eliminated as quickly as possible. Except in the case of an emergency, or motions in chambers, the courts do not sit for those two summer months. At that time no case can come to trial. This works a great hardship on the legal profession as well as the litigants involved. It also makes it difficult for judges to schedule their trial work. While the minister has no direct responsibility in this regard, I hope he can encourage the provincial attorneys general to do away with this long vacation. I hope that the judges of British Columbia will also encourage the provincial attorney general to change this procedure of taking long vacations in the summer.

● (5:40 p.m.)

Mr. Steven Otto (York East): Mr. Speaker, I noticed that the minister was about to get up to speak but he was buttoning his collar button and being unaccustomed to having his collar buttoned he had difficulty in getting up in time. The minister is very avant-garde in this respect and does pretty well.

Some comment has been made about the appointment of judges and the method by which they should be appointed by the minister. It seems that anyone who has taken an interest in politics is now being condemned and relegated to such a position that he cannot occupy a seat on the bench. I think this is quite wrong. I do not think that just because a man has become involved in politics he should be condemned as a potential judge.

I believe this attitude demonstrates a concern that should be very carefully considered. In my opinion it does not matter what political party a person supports. If he has the necessary qualifications he should be appointed to the bench. To suggest, as did the hon. member for Broadview (Mr. Gilbert), that judges should be appointed after special consideration of a list of names submitted by the bar association or the benchers in Ontario would, I think, be a great mistake.

Throughout history butchers have always wanted to have complete command over the appointment of meat inspectors. Gasoline purveyors have always wanted complete control over the inspection of gasoline stations. This is customary. In most provinces the bar association is really a very tight union for the protection of lawyers, although it is always supposed—and this idea is promoted —that it is really for the protection of the public.

I recall getting into a bit of an argument at one time with the Upper Canada Law Society in connection with searching titles and conveyancing. I was then representing an insurance company which was quite willing to guarantee all the titles in Canada at a very nominal fee. This would have meant that anyone selling or buying a house would not need a lawyer. You would be amazed at the great controversy this brought on because, after all, lawyers charge $250 for their services in the sale or purchase of a house. This is the bread and butter of the profession. But this was not the reason given by the law society; the reason given was that what they did was for the protection of the public.

Pay little heed, Mr. Minister, to the urgings of the law societies. If you want an opinion I suggest that the judges now sitting on the bench can give you a very accurate summary of the nominees you have. After all, they have heard them plead cases and pretty well know what sort of a judge a person will make. A judge must be a person who has a great respect for the law. This is essential. I suggest that the minister would do much better in this field if he took notice of their ideas with respect to nominations.

Some hon. Members: Question.

The Acting Speaker (Mr. Tardif): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Tardif): Order. If the minister speaks now he will close the debate.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, I would like to make a few comments on some of the remarks made by hon. members, mainly concerning the appointment of judges. I did not stand up to speak first on second reading, though I was prepared to do so if no one else had risen. When I saw hon. members were rising I preferred to let them speak first. As a matter of fact, I thought they would congratulate me on the way in which I have been appointing judges. In fact, the hon. member for Broadview (Mr. Gilbert) did have some very kind words to say. I want to clear up the matter of the appointment of judges because hon. members seem to be unaware of the procedure I have been following. I have publicly stated what this procedure is.

Hon. members know that practically every year since 1952 the question of amending the Judges Act has come before the house. Reading some of the past debates I have seen that generally the minister of justice, at least this was the case last year, has been strongly urged by various hon. members to consult some sort of committee before appointing judges or, rather, recommending that the governor in council appoint them. In fact, at the meeting last September of the Canadian Bar Association I sat in at a press conference given by the president of the judicial nominations committee of the association. At that press conference, which obviously did not receive the attention of the members of this house, it was stated that it has been my practice since becoming minister to consult with the president, and through him with the

members of that committee of the Canadian Bar Association, before appointing any judge.

I think I can say that without exception, to my knowledge and memory, I have not appointed a single judge since becoming minister without having at least asked the opinion of this committee. I stated at that time that this was as far as I intended to go then. I wanted to try out this mechanism personally before committing the government to it officially. I was doing it on a trial basis. I must say, incidentally, that as far as I am concerned it has worked very well. The members of this committee have been extremely helpful to me in making sure that any person I have named at least did not have a black mark against him with the bar. Again, to the best of my memory, I have made no appointment of a person which had met with the disapproval of this committee.

That does not mean I am bound to continue in this direction. I think the law on this point is well understood by hon. members. The governor in council has the responsibility for nominating judges. This is the way I think it should remain. The hon. member for York East (Mr. Otto) used some very good metaphors indicating why this should be the practice. I think it is quite right that the people responsible to the citizens of this country should in the final analysis make the nominations and bear the blame if their nominations are bad.

I do not agree that a committee should submit a list of names to the Minister of Justice in order that he may choose judges to be appointed. In this regard I do not agree with some of the suggestions, made constructively I am sure, by some of the members of the New Democratic party. My policy is not to choose a judge from a list of names submitted to me. My policy is to go to this particular committee of the Canadian Bar Association and say: I am thinking of appointing so-and-so; I should like to know whether in your opinion he is qualified.

I think this is the only proper procedure under the constitution. I should not be limited in any way as to the names I should consider. Even if I did not agree with the recommendation of the Canadian Bar Association I would feel free to proceed with the nomination anyhow. But in fact I have not made any appointment which did not meet with their approval. As far as I am concerned, this has been a very helpful and constructive procedure. It has permitted me to make sure that I was not choosing people whom the members of the bar association did not feel were qualified.

• (5:50 p.m.)

As to the political character of the appointments, the hon. member for Broadview (Mr. Gilbert) mentioned that I had made an appointment in one province at least of a person who is not of our political persuasion. He referred to the fact that in one province I had named a person who, rightly or wrongly, has been associated with the hon. member's political party. I think this might be true of other appointments of judges in other provinces who have been associated with a party other than the Liberal party. However, I am not too concerned about the political past of the appointee. If he is a good person and is qualified for the bench, then these are sufficient qualifications and they are the ones that are uppermost in my mind. It has happened on occasion that I discovered *post facto* that a certain appointee was of such and such a political persuasion, but this is not the most relevant consideration in my choice.

I am very grateful for the contribution which the Canadian Bar Association has made through this committee which, as might be recognized, must be fairly burdensome to them because it is composed of at least one member from each province and in some cases of more than one. The committee is rather large and the members consult among themselves. I believe they do it with as much secrecy as possible. I am very grateful for their help in that regard.

While I am on my feet I should like to touch on one or two other matters which were raised. First, the hon. member for Edmonton West (Mr. Lambert) commented on the increase in judges' salaries. I am not quite certain whether I understood him correctly but in case I did I should like to set the facts straight. Under this bill no increase in salaries has been provided.

Mr. Woolliams: He said there had been two increases since members of parliament received their increase.

Mr. Trudeau: If that is what he said, then he may be correct. This bill relates to the appointment of more judges but not to an increase in their salaries.

Mr. Woolliams: Would the minister permit a question at this stage? In increasing the number of judges in the various provinces did he seek advice from the chief justices

and did he receive an affirmative answer in that regard? If he did, I think he has performed his duty properly.

Mr. Trudeau: I will gladly answer the question. What happens in fact, as the hon. member well knows, is that this is an area where the jurisdiction is divided. In each of the cases in which I have recommended an increase in the number of judges I have only done so after having received the advice of the attorneys general of the provinces concerned with regard to a new opening. I did not make new appointments until such a request was made.

Each of the provinces seeking the appointment of additional judges has, over the past year, amended its law. These laws bear various names but all of them have to do with the administration of justice, and during the past year they have asked that provision be made in the federal law for the salaries of additional judges. Of course, under our constitution the provinces decide on the number of judges necessary to administer justice, and under section 96 the federal government appoints these judges and provides for their salaries.

This reminds me of a point made by the hon. member for Vancouver-Burrard (Mr. Basford) who spoke about the long vacations enjoyed by judges. He said quite correctly that this matter was not under my jurisdiction, although under the Judges Act the Minister of Justice must give permission to a judge if he is to be absent for more than 30 days. However, the provision of vacations for the courts in the various provinces is determined by the provincial governments. I will certainly consider the matter raised by the hon. member and although I would not presume to tell the provinces how they should administer justice I will gladly raise this point informally when I have the occasion to meet the provincial attorneys general.

I think that covers the main points Mr. Speaker. I see the clock advancing and I hope the bill will be given second reading now.

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

On clause 1—

Mr. Woolliams: Mr. Chairman, I should like to say one word with reference to what was said by the hon. member for Vancouver-Burrard when he spoke about holidays for judges. I can only speak for my own province in that regard but I should like to say that the chief justices in the various courts in my province have been most co-operative and have always arranged for a judge to be on duty during July and August. This is not a holiday for them. During the summer they have an opportunity to write their reserved judgments and to catch up on their work.

I should like to be fair to the courts in that regard and say that so far as Alberta is concerned I have always found, and other lawyers from that province will confirm what I say, that there has always been a judge on duty during the summer vacation. In fact sometimes during July and August justice is administered more expeditiously because at that time it is possible to go directly to the court clerk at a moment's notice. I was glad to hear the Minister of Justice say that he would speak to the attorneys general about this matter. I am well aware of the fact that in this regard provincial legislation comes first and that federal jurisdiction comes next but the federal government pays the bills and therefore we are responsible when legislation is passed.

There is one further point I should like to make. I agree that it is a good idea to receive guidance from the law societies. I have nothing but respect for our law associations but it must be admitted that there are politics in every organization. It may not be of the same variety as the politics exercised here but nevertheless it exists.

I agree with the hon. member who said that the fact that a man has served in public life should not disqualify him for an appointment to the bench. In this connection I should like to refer with some respect to a former member of the house who is now deceased but who was a judge of both the Queen's Bench division and the court of appeal in Saskatchewan. I refer to the late Judge McNiven who was one of the finest judges we have had. Not only was he highly qualified but his experience in public life and in dealing with people added to his humane approach as a judge. So it does not seem to me that the fact that a man has served in a provincial legislature, in the House of Commons, or in public affairs should in any way debar him from appointment to the bench. Such service should be taken into consideration by the Minister of Justice because if a man has received the approval of his peers at home we can be certain that he will make a good judge and will be humane in making

decisions and in exercising the responsibility given to him. I agree with the person who said that the most important qualification of a judge is a humane approach, and if he knows a little law he is all the better for it.

Clause agreed to.

Clauses 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

• (6:00 p.m.)

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

Some hon. Members: Now.

Mr. Trudeau moved the third reading of the bill.

The Acting Speaker (Mr. Rinfret): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

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

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Rinfret): As it is six o'clock, it is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Prince Edward-Lennox (Mr. Alkenbrack)—Agriculture—Milk—Alleged hardship through minimum quotas; the hon. member for Notre-Dame-de-Grâce (Mr. Allmand)—Housing—Montreal—availability of Habitat '67 at Expo site.

[*English*]

BUSINESS OF THE HOUSE

Mr. Pennell: Mr. Speaker, I am advised that there has been an agreement to suspend private members' hour and to continue with government business.

Mr. Nasserden: Mr. Speaker, the first private bill on the order paper stands in my name and concerns the Co-operative Trust Company Limited of Saskatoon. I wonder whether it would be the disposition of the

house to deal with it first and then to proceed with whatever business the government might like to take up.

Mr. Pennell: Mr. Speaker, I stand corrected. The whip has just advised me that the understanding was that we would rise at six o'clock and return at eight o'clock.

Some hon. Members: Hear, hear.

Mr. Pennell: This seems to meet with enthusiastic approval.

Mr. Nasserden: This is news to me, Mr. Speaker; I heard of it just a moment ago. The bill to which I referred has been considered in committee both in the Senate and in the House of Commons. There is an amendment dealing with the qualifications of directors. I do not think the bill is contentious and I would appreciate it if the house would pass it this afternoon and then adjourn for dinner until the budget is brought down.

Mr. Cameron (High Park): Mr. Speaker, I should like to support the hon. member's request. I think it a reasonable one. I gave him the right of way on one occasion and I should like to do so again. I do not think it would take very much time.

Mr. Knowles: The understanding is, then, that we take only the time that is necessary to deal with item No. 1 and then rise for a recess.

The Acting Speaker (Mr. Rinfret): Does the house order that we suspend the sitting after consideration of Bill No. S-20?

Some hon. Members: Agreed.

PRIVATE BILLS

CO-OPERATIVE TRUST COMPANY LIMITED

The house in committee on Bill No. S-20, respecting Co-operative Trust Company Limited—Mr. Nasserden—Mr. Rinfret in the chair.

Clauses 1 to 9 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time? By leave, now?

Some hon. Members: Agreed.

Mr. Nasserden moved the third reading of the bill.

He said: Mr. Speaker, may I thank hon. members for their courtesy and kindness.

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

The Acting Speaker (Mr. Rinfret): Pursuant to the order made by the house this sitting stands suspended until eight o'clock.

SITTING SUSPENDED

At 6.09 p.m. the sitting was suspended.

SITTING RESUMED

The house resumed at 8 p.m.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Mitchell Sharp (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, this being St. Andrew's day, and being a Scot, I did not observe one of the customs of the Minister of Finance, who is supposed to buy a new pair of shoes when presenting the budget. Being a Scot, and this being the second budget I have presented this year, I am wearing the same shoes that I wore when I presented the budget on June 1.

Mr. Starr: The minister cannot afford a new pair of shoes.

Mr. Sharp: Mr. Speaker. The purpose of this statement is to present to the house the fiscal measures which the government considers necessary at this time to achieve three urgent, and closely related objectives: first, to restrain the inflationary increases in prices, costs and the cost-of-living that are undermining our prosperity; second, to ease the disturbing strains in the capital market that threaten our continued economic growth; and third, to meet in a non-inflationary way the costs of continuing public programs essential to social security and long-run national development.

I might recall that in my speech introducing the budget of June 1st, which is still before the committee of ways and means, I noted that our budget policy was to assist in the transition from the rapid economic expansion of recent years to a steady growth in employment and production at levels near capacity. Our budget was therefore intended to exert a moderate sustaining force upon the economy. It provided for a deficit of about $300 million in terms of our national economic accounts, excluding operations of the Canada Pension Plan. Tax reductions proposed in that budget were designed to contribute to a decrease in certain key prices, particularly those of machinery and equipment in order to improve industrial efficiency, and in those of drugs, to relieve the group of consumers in the country most deserving of such assistance.

The budget involved over-all net cash requirements for the current fiscal year of $1,590 million, to be financed by borrowing and by the reduction of our cash balances. These high financial requirements were due not only to the deficit in our budget accounts, which was forecast at $740 million, but also to a large volume of government loans and investments, particularly for house building. The housing loans were intended to bring and did bring a recovery in house building from the low levels to which it fell last year as a result of the severe competition for funds from other borrowers.

On October 4th I made a second statement in the budget debate. In it I said that the outlook for production and employment this year was much as expected at the beginning of June. There were, however, two major problems. The first was the continued high rates of increase in costs of production and in prices. These increases were much too high. The second problem was the very disturbed state of the capital markets, where high and rising interest rates continued to prevail in Canada, as in other major western countries, despite a substantial rate of expansion in the money supply. I said that the expectation by investors of continued inflation was contributing to this extraordinary condition of the capital markets. We had to find some way of bringing the inflationary movement under control. This would require the exercise of restraint on increases in prices, wages, other money incomes such as rent and dividends, and government expenditures. I noted that the government, in preparing next year's expenditure estimates, was making an early and extraordinary effort to limit the growth in its spending programs and its demands on the capital markets.

On the 10th of this month I announced in the house that our budgetary expenditure programs for next year would be held to

$10,300 million. This would be apart from medicare which would be financed by new revenue raised for the purpose, and the writing off of the Expo deficit in our accounts which does not represent any new disbursement. By this action, by the reductions in our lending programs, and by some tax measures, we would hold our overall net cash requirements and our consequent demands on the capital market in the next fiscal year to less than $750 million, apart from unforeseen requirements for our foreign exchange reserves.

I stated then, Mr. Speaker, that these various measures would be a part of an integrated program to check the inflation of prices and costs occurring in Canada and to reduce the excessive pressures upon our capital markets. Tonight it is my duty to carry forward the program by reporting more fully on our situation and on the government's intentions, and to propose those tax measures we consider necessary.

Economic Situation

• (8:10 p.m.)

[*Translation*]

First, I will note briefly the economic situation and prospects, though these are not substantially different to what they were when I spoke in October.

During 1967 there has been a deceleration in the rapid economic expansion which took place in the last few years. Our gross national product has nevertheless continued to expand, and for this year I expect the increase will turn out to be approximately 7 per cent. In terms of volume, however, the increase will be less than half of this, as prices have continued to increase at excessive rates. The expenditures of consumers, supported as they are by rising wages and salaries, are at a high and increasing level. The expenditures of governments and municipalities on goods and services continue to rise this year although not as rapidly as heretofore. In the first half of 1967, exports reached a record level, although in recent months they have been declining, both in the case of wheat and, to a lesser degree, in the total excluding wheat. This has of course reflected to some extent the slowdown in expansion in the United States and overseas as well as the special circumstances of the wheat market. For the year as a whole, however, exports will reach the target set by the Minister of Trade and Commerce (Mr. Winters). Business capital expenditures have also been declining in recent months, both on construction and on machinery and equipment.

The result of these recent changes in the sustaining forces in the economy has been a slowing down in the rate of growth of production, a slight downturn in total employment, and a rise last month in unemployment. The economy has ceased to be under the serious strain it experienced last year, and has developed a small amount of spare capacity.

These developments, however, have not put a check on prices and costs; the excessive rates of increase in wages and in other costs continue unabated. The consumer price index has declined fractionally during the past two months, chiefly because food prices fell as they normally do at this season. Still, the underlying movement remains strongly upward. Excluding food, the consumer price index is up by 4½ per cent over a year ago. Costs have been rising rapidly and profits have been squeezed. Our most comprehensive measure of prices—the price component of the gross national product—showed an increase in the second quarter of this year of 5 per cent over the second quarter of 1966.

Canada is now finding it harder to achieve price stability and full employment at the same time than earlier thinking had led us to suppose. Even with unemployment at levels we do not regard as satisfactory, prices and wages are rising too rapidly. They are rising more rapidly than those in the United States, more rapidly than those in most other western industrialized countries. No group in Canada can afford this erosion of our international competitive position.

Moreover, and even more important, the expectation that prices and costs will continue to rise is creating an inflationary psychology which is having serious effects on both the capital market and the labour market. In the labour market this psychology is leading to continued demands for wage increases that are clearly far in excess of any prospective increase in productivity, and therefore clearly inflationary. Increases in major wage settlements negotiated in Canada over the first nine months of this year are reported by the Department of Labour to have averaged 8.7 per cent a year over the life of the agreements. A roughly comparable average for the United States is 4.4 per cent per year. In the capital market the same psychology is leading to an unwillingness to lend money for long terms on bonds and mortgages except at very high interest rates.

Both the labour and the capital markets must work efficiently if we are to continue to be prosperous and to develop our economy.

In particular we are a nation which must save and invest about one-fifth of our total national output each year, mainly through the medium of the capital market. In addition we expect to obtain a net annual inflow of capital of nearly a billion dollars or more. We run our economy on the basis of such expectations, and this continued flow of savings and investment is essential to the productive employment of our growing labour force. It is vital therefore that our capital market continue to work effectively and in a proper relationship to the central capital market of the world, which is in the United States.

[*English*]

An hon. Member: And now a little gimmick for St. Andrew's day for the Scots.

Mr. Sharp: I should like to say to the hon. member that this is one of the groups which has made an enormous contribution to this country, even rivalling that made by the two founding races. Indeed, I sometimes wonder whether one of the founding peoples was not the Scots.

An hon. Member: Where are the Scots on the front bench?

Mr. Sharp:

Economic Prospects

Looking ahead, in 1968 a somewhat greater increase in production than this year in real terms and a somewhat smaller increase in prices is indicated. This appraisal anticipates a revival in economic activity in the United States and a continuation of growth in production in Europe and Japan, all important markets for us. Consequently, I expect to see a resumption in the growth of our exports. We can certainly expect a continuing increase in the expenditures of Canadian consumers, probably at a greater rate than this year. Housing expenditures can be expected to rise next year. Mortgage funds should be more readily available as a result of the more flexible interest rates on insured mortgages as well as a reduction in the competition for funds and the entry of the banks into the market this year. Already, as hon. members know, there has been a very substantial increase. On the other hand, it appears to me that capital expenditures by business will not increase next year, bearing in mind the effects of increased costs and some uncertainties regarding market conditions. This is borne out by the preliminary impressions I have heard of the investment intentions of large businesses. As I have previously emphasized, this is an area where expansion rather than restraint is now required.

Taking these various changes together, I would expect total production and incomes to increase moderately next year and employment to increase from the current level about in proportion to the growth of our labour force. We expect to see a better performance in overall productivity, partly as a consequence of better training and deployment of our labour force and partly because there is usually an increase in productivity at this stage of the business cycle. We must recognize, however, that we now have an economy where many businesses and many consumers have large liquid resources at their disposal which they can decide to spend on short notice should there be a change in the prevailing psychology.

• (8:20 p.m.)

The current international situation is one in which there are potential dangers for Canada, in view of our considerable dependence both on world trade and on international capital markets. Never before I believe have the central capital markets of the world been in such a disturbed condition for so long a time. There has been widespread uneasiness about the position of the major international currencies which has now been relieved by the successful revaluation of sterling and by the manifest strength of the United States dollar and other major currencies in the face of speculation during the past ten days. Many countries are experiencing real difficulties in bringing their government finances into line with current necessities and in curbing the inflationary tendencies that exist so widely in the Western world. We cannot isolate ourselves from international price pressures, particularly from the United States, but we must do what we can to contain the inflationary pressures operating in Canada. In the current international circumstances, our policies must reflect the need for strong action to protect our underlying position and for flexibility in adapting to changing circumstances.

Controlling Growth in Government Expenditures

It is against this broad economic background that we must decide upon our programs and measures. First, we must consider our public expenditures. Our program will be before the house in detail in a few months in the form of the main estimates, but in the

meantime the government is having to make the basic decisions which will be reflected there, along with those expenditures arising out of statutes. It is essential that the house and the public recognize the nature and severity of the problem that confronts us and the need to cope with it.

Since this government took office it has been putting into place, as it stated it would, the major reforms required to complete Canada's social security system. On our recommendation, parliament has also authorized a substantial increase in the contributions to what is now Canada's first priority, higher education. This was done both in the form of expenditures and in the form of a special fiscal transfer to the provinces for this purpose. We have deliberately transferred to the provincial governments additional resources so that they and their municipalities could provide the rapidly expanding services required of them. We have pressed forward with measures to promote scientific research, industrial development, and the improvement of those areas in the country which have suffered from slower growth and lower incomes than elsewhere.

We made no secret of the fact—and the house was aware—that all these reforms would involve substantial increases in public expenditures. Indeed, we were urged to go even further. I made it quite clear last year and this year that the requirements of a growing and developing Canada in which these economic and social reforms were proceeding would involve increased claims by governments and their agencies on the national output. Even so, I pointed out the growth in the public sector of our economy was not going to be so rapid as to require more than a portion of the growth in the national output as a whole, although it would and did involve higher tax rates.

Let me illustrate. In the last fiscal year our total federal government expenditure on the comprehensive basis used in the national economic accounts amounted to $9,846 million, which was 16.8 per cent of the gross national product. Five years before, in 1961-62, when the party opposite was in office, it was 19.2 per cent of the gross national product, and five years before that again, in 1956-57, the total was $5,126 million, which was 16.4 per cent of the gross national product. Thus it will be seen that although our expenditures over the same decade had increased by 92 per cent, they were about the same share of the gross national product as they were ten years ago, and a smaller share than they were five years ago. Moreover, during this period we reduced our tax rates in favour of the provinces, as I mentioned a moment ago. In addition, parliament has during this period enacted the Canada Pension Plan which is not reflected in these figures. It is a separate, fully contributory, funded plan in which at this early stage the contributions far exceed the payments and produce a large investment fund which is placed at the disposal of the provincial governments to help them meet their capital requirements. Now let me look at the expenditures of provincial governments and municipalities.

The expenditures of provincial governments and municipalities have been rising much more rapidly over this past decade than those of the federal government. Again using the figures as produced for the national economic accounts, provincial and municipal expenditures together show a total in the last fiscal year of $10,942 million, which was 18.6 per cent of the gross national product. Five years before that, in 1961-62, they were 16.3 per cent of the gross national product, and five years before that again, in 1956-57, they were $3,474 million, which was 11.1 per cent of the gross national product. In other words, in contrast with federal government expenditures which have maintained a constant proportion over the last ten years, provincial and municipal expenditures between them have risen from 11.1 per cent to 18.6 per cent of the gross national product. The average annual growth rate over this period of provincial plus municipal expenditures has been 12.1 per cent as compared with the average growth rate in federal expenditures of 6.7 per cent. I should add here that the federal expenditures I have given include contributions to the provinces and municipalities which would have to be eliminated before one added the figures to get a total, since the provincial and municipal figures include expenditures made from monies received from federal sources.

While it will be noted that these rates of increase of provincial and municipal expenditures have been substantially greater than our own, I am not criticizing the provinces in any way for this. It is well known that many of the increasing demands for public facilities and public services arising from the rapid growth of our population, our labour force, and our economy generally, as well as from the shift of population from the rural to the urban areas, fall upon provincial governments and their municipalities. This is a fact of life which must be taken into account in

evaluating the rate of increase in government expenditures as a whole.

In appraising the situation this year, and taking into account our various commitments including medicare, the government decided it would have to impose much more severe limits on the growth of expenditure than have applied for many years in the past. This restraint is necessary if we are to check the inflationary influences in the economy, reduce our demands upon the capital market, and minimize the increase in taxes. Consequently we decided, as I stated earlier this month, that we would hold the increase in our budgetary expenditures, apart from medicare and the writing off of the Expo deficit, to some 4½ per cent, a rate of increase much smaller than in the three previous years. Once this has been achieved and medicare has also been put into effect, then I believe the future growth in our public expenditures can be held to a level which can be met from the increasing revenues resulting from a growing economy without inflationary consequences. There will be many important programs to be pressed forward by the federal government, particularly in the fields of manpower training, research and economic development, but I think they will not involve the rapid, massive increase in expenditures that we have seen in this past decade on the health and social security programs.

To make this transition we must this coming year make a downward adjustment in our spending programs—apart from medicare—from the rapid rates of increase that we have had recently to more sustainable rates of growth, just as we have been endeavoring in the past 18 months to adjust our rates of economic expansion. This will not be easy. To some it may appear at first blush that the ceiling on budgetary expenditures next year of $10,300 million—which allows an increase in the neighbourhood of $400 million over the revised forecast of this year's expenditure—is not a difficult one to meet. Indeed, I have seen comments like this in the press, that submit we are not setting ourselves a very difficult target. In fact it means that over large areas of the government's operations we will be wielding the axe.

• (8:30 p.m.)

Let me illustrate. We make a large number of substantial transfer payments to the provinces and municipalities, such as equalization payments, hospital insurance, aid for education and the Canada assistance social welfare plan, most of which increase automatically under statute or agreement with the provinces. We have in addition (apart from old age security which is financed separately) major programs consisting of transfer payments to persons, including family and youth allowances, veterans' pensions, and adult training allowances. All of these are also mainly fixed by population factors and by statute. Finally, there are the public debt charges which will inevitably rise if we assume that interest rates will remain at present levels. Taken together, these expenditures require unavoidable expenditure increases of something over half of the total increase of about $400 million to which we are holding.

When expenditures in these categories are deducted from the total forecast for this year, it leaves about $5,640 million of other expenditures which can increase only 3.3 per cent within the ceiling set for next year—a margin which will largely be required to meet the increased costs of higher pay rates and prices.

In the face of these unavoidable increases in our payments to provinces, in payments to individuals under statutory programs, and in public debt charges, and the increase in pay and prices, it is clear that our other expenditure programs as a whole, under our normal budgetary control, will have to be restrained severely next year. The reductions must be large enough to make way for a number of new things that we will have to undertake, such as the program in Cape Breton. I am thinking about the Cape Breton Development Corporation, the Atlantic Development Board expenditures, and so on. Consequently we are going to have to cut back or cut out a number of things that we have been doing. Some programs that we have been carrying on for years will be dropped, some major construction projects will be postponed, some subsidies will be reduced, some expansion of programs—including some the government has promised—will be held back. In planning our programs we are taking account of the greater unemployment in the Eastern areas of Canada and the fact that expenditures there are less likely to be inflationary than they are in Canada generally.

My colleague the President of the Treasury Board, who is in charge of this expenditure control program, will speak in the budget debate next week and give the house some of

the detailed decisions on these cuts. I expect he will deal with the plans for restraining the growth of the public service, about which many people have expressed concern. I would make only one point about that to keep the subject in perspective. It is that the size of the federal Public Service has for the past 15 years—whether there were ceilings on or off—remained very close to one per cent of the population of Canada and for the past half dozen years has been declining as a percentage of the Canadian labour force.

I have seen suggestions, and probably will hear some suggestions that we should be cutting back government expenditures. I am sure I have the support of the Leader of the Opposition (Mr. Stanfield) in saying that this is unrealistic, because I have here a report of an interview with the Leader of the Opposition which appears in the most recent issue of *Executive* Magazine, in which he says:

> I think anybody who suggests that you can cut down on government spending or offer a substantial reduction in taxes isn't being very realistic. But any government can control the rate of the increase in expenditure.

Some hon. Members: Hear, hear.

An hon. Member: That is the point.

Mr. Sharp: The Leader of the Opposition can try to convince us that our rate increase is too high, but all he was able to do was increase the last increase, and his last increase was much greater than ours.

Government Lending Programs

Our problem in regard to the demands we make on the capital market arises, as I have indicated, not only from our spending programs but also to a large extent from our lending programs. In the current fiscal year for example, we are lending from the treasury to the Central Mortgage and Housing Corporation for housing and related purposes a net amount of $608 million, after taking into account repayments we receive. We are lending to the Farm Credit Corporation for farm mortgages a net amount of $167 million. We are advancing to the Veterans Loan Board for housing and farm credit purposes $60 million. The size of these lending programs will have to be restricted. I am confident we can do this without serious economic effects, when account is taken of the better flow of mortgage funds we can now expect the capital market to provide.

Another demand upon our funds is Air Canada. It is having to expand rapidly its fleet of aircraft and its various ground installations in order to meet the growing traffic demands on it. The Minister of Transport and I recognize that it will be necessary to exercise restraint on what the government lends to Air Canada in future years, requiring that company to seek sources of capital funds other than the government. On the other hand, two of our large lending programs will come to an end in 1968, that for Expo and that for the Municipal Development and Loan Board, and we can expect some recoveries in future of what we have lent under both these categories.

To sum up, Mr. Speaker, the government is applying rigorous restraints on its spending and lending as part of our program to check the inflation of prices and costs, to reduce excessive pressures in our capital markets, and to minimize increase in taxes.

Budgetary Outlook and Policy

Given the situation I have described, we have come to the conclusion that some increases in taxes are essential in order to meet our growing expenditures even under the restraints we have imposed, and to reduce our over-all cash requirements to what we can reasonably expect to finance in the market. Our large cash balances of last April were down to rock bottom at the beginning of this month. Fortunately the Canada savings bond campaign has succeeded in raising a substantial amount of new cash during November, despite the very adverse circumstances under which it had to be carried on. I wish to take this opportunity to express my admiration and gratitude to those who have organized and carried out this campaign this year. We will need to come frequently to the market in the next sixteen months, both for refunding and for cash. We face an unusually large maturity of savings bonds in 1968, and will consider making an offer to holders of these bonds to convert them into a new issue of savings bonds in advance of their maturity on November 1st. I feel we must ensure that our over-all cash requirements, apart from the effects of unforeseen changes in our exchange reserves, should be kept well within our $750 million limit for 1968-69.

To attain this objective is going to require the virtual elimination of our budgetary deficit next year. This is because, even after the reductions proposed in our lending program, our net non-budgetary requirements next year will be large, including as they should some repayment of the 1966 refundable tax

on corporate cash flows. In addition it is important to build up our cash balances from the low levels they are likely to be at in March 1968.

Our budgetary expenditures in the current fiscal year—this year—are now expected to be about $9,900 million. Our revenues, before taking into account tax changes I am proposing tonight, are likely to amount to about $9,070 million. Although these figures are different from my June budget forecast, I intend that our tax and expenditure measures will hold the budgetary deficit as close as possible to what was planned at that time. It now appears that our over-all cash requirements for the year as a whole—apart from the refunding of our debt and on the basis of the current level of our exchange reserves —will be about what I expected in the budget speech of June.

Outlook for 1968-69

The best preliminary forecast I can make of the yield next fiscal year of our revenues under our current tax laws—which of course at this early date is more uncertain than is usual in normal springtime budgets, is about $9,700 million. With our expenditures at the level of $10,300 million where we have decided to hold them, apart from medicare and Expo, our budget deficit would be $600 million. I believe we can and should aim to eliminate most of this deficit.

The fiscal restraints that are essential now may limit somewhat the increase in our production next year but such a limitation now is far better than a serious recession later. If we cannot, as individuals and organizations, exercise the restraint that is now called for in price, cost and wage increases then there is no alternative but a collective fiscal restraint exercised by parliament. This is a case where the proverbial ounce of prevention now is far preferable to a pound of cure later. When the government and parliament have taken the action we should to hold our expenditures in check and to meet our expenditure requirements by tax revenues, then we should, as I said in October, support such action by a determined campaign to achieve by voluntary co-operation a large reduction in the unacceptably high rate at which prices and costs are increasing, including wage settlements.

• (8:40 p.m.)

We must bring to an end the present round of inflationary price and cost increases, and move to a situation in which all Canadians can work and buy and bargain and invest in the expectation that their money over the years will maintain its real value. To the extent that we can mobilize public opinion effectively in support of this objective, and against the actions of those who clearly exploit their market power to obtain inflationary increases, then we can have a higher level of employment, production and incomes along with price stability. This would be, in the words of the Leader of the Opposition, "a more civilized way to control inflation". I think that we can do it. The government is planning to organize a temporary program of this kind—after we have done our part here in parliament to restrain our spending and to impose the taxes necessary to finance, in a non-inflationary way, the expenditures which we in this house have judged to deserve the priority that is implied in our approval of them. When these measures have been approved I would then propose, with several of my colleagues, to initiate discussions with leaders of labour, of management, and other main elements of the economy, as to the manner in which we could most effectively organize this program of restraint.

The Tax Reform Program

Before putting forward my revenue proposals I think it is desirable to say what I can now about our plans in regard to the tax reform program on which we have been working and about the reactions we have received to the report of the Royal Commission on Taxation.

In the first place it must be recognized that our tax reform program must be undertaken under circumstances quite different to those contemplated in the terms of reference of the royal commission and its work. The commission was designing a system to yield a revenue comporable to that of 1964. Clearly we will need a tax system in 1969 and subsequently which will produce more revenues that that of 1964—even after allowing for the growth in our economy since then, and the consequent increase in prices and incomes and in our federal revenues.

Mr. Woolliams: What growth?

Mr. Sharp: Somebody said "What growth". I do not think there has ever been a period in our history when there has ever been such growth. There has never been a greater rise in the real economy, and there has never been a greater rise in employment than during this period.

An hon. Member: There has been a tremendous growth in taxes and unemployment.

Mr. Sharp: On the other hand we can and will take account of the arguments the commission made regarding the relative incidence of the tax on various income and other groups.

In accordance with our invitation to all Canadians to send us their views concerning the commission's report we have received many hundreds of briefs and letters on the subject. Many individuals and groups have talked to me, and to the Minister of National Revenue, and to other ministers and officials about the report and its proposals. I wish to express our appreciation to all the individuals, businesses, trade unions and associations who have given us their views on this difficult and controversial subject.

I have been particularly impressed that four points have played a central role in the public discussion of the report, and in the submissions made to the government. The first is the sweeping extent of the changes recommended by the commission, and the difficulty of predicting the effects that sudden changes of this magnitude would have on the economy and ultimately on the position of various taxpayers. We have encountered this difficulty ourselves. The second point is that the commissioners have suggested for Canada a tax system quite different from that of other countries, and in particular quite different from that of the United States with whom we have an integrated capital market. This could give rise to economic difficulties, as well as to technical problems in drafting an effective law. The third point is somewhat related to the second, although it has connotations in other areas as well. It is that Canada will need to generate and invest a large volume of savings over the next decade in order to carry out the economic growth and development we want, and we shall need to attract substantial amounts of foreign capital to supplement our own savings. Many people feel the commission did not give adequate weight to this consideration in deciding on its recommendations, and I am inclined to agree. The final point is a widespread concern over the regional impact of the commissioners' proposals, particularly those related to the mining and petroleum industries.

Many of the briefs which we have received contain suggestions for modification of the commission's proposals, or alternatives to the commission's proposals. We are now studying these suggestions, in addition to completing our own work on tax reform and the report of the commission.

The government believes that substantial reform is necessary if its revenues are to be raised as fairly as possible and with a minimum of interference with the proper development and functioning of the Canadian economy. I believe that the report of the royal commission will turn out to have been of great value to the government, to parliament and the people of Canada in helping us all to recognize the deficiencies in our present tax system and to devise sensible ways to reform the system.

However, the work we have done within the government, as well as the analyses we have received from others, leads us to the conclusion that while the reforms we will place before parliament and the public in the form of a White Paper and ultimately in draft legislation will undoubtedly be influenced by the monumental report of the royal commission, they will be more in the nature of reforms of the existing tax structure rather than the adoption of a radically different approach. They will not necessarily be limited to items which the commission has recommended.

In the meantime our current tax proposals must of course be made in a form that relates to our present laws.

Personal Income Surtax

I come now to my tax proposals. My first proposal relates to the personal income tax. I am asking the house to approve a special surtax of 5 per cent of the amount of the basic tax assessed on an individual in excess of $100. This surtax will take effect January 1st and would remain I expect until we have completed the transition to a slower rate of growth of expenditures or until economic and financial conditions call for a change in our fiscal policy.

This change will be made in such a manner as not to affect provincial revenues. As was done in 1965, I propose that the maximum change in tax resulting from this amendment be limited to $600. The surtax is so defined that it will not apply to single persons with incomes of less than $2,000 a year nor to a married man with two children having an income of less than $3,600. The increase in tax for a married man with two children and a typical income of, say, $100 a week would be 23 cents a week. I would ask permission at this point to insert in *Hansard* tables to illustrate the effects of this change

upon taxpayers with incomes of various sizes.

Mr. Speaker: Is it agreed that the tables referred to by the hon. minister be inserted in *Hansard?*

Some hon. Members: Agreed.

[*The tables referred to above are as follows:*]

TABLE 1

To Illustrate the Proposed Surtax on Personal Income Tax

Single taxpayer—no dependants

Income	Present tax (a)	Proposed surtax
$	$	$
2,000	115	—
2,500	202	3
3,000	292	7
3,500	394	11
4,000	499	15
4,500	612	20
5,000	727	25
7,000	1,244	46
10,000	2,060	87
15,000	3,850	177
20,000	6,045	286
25,000	8,295	399
50,000	21,185	600

(a) This is the combined federal and provincial income tax, including the old age security tax, in all provinces except Quebec, Manitoba and Saskatchewan. The taxpayer is assumed to take the optional standard deduction of $100 in lieu of deductions for medical expenses and charitable donations.

TABLE 2

To Illustrate the Proposed Surtax on Personal Income Tax

Married taxpayer—no dependants

Income	Present tax (a)	Proposed surtax
$	$	$
3,000	115	—
3,500	202	3
4,000	292	7
4,500	394	11
5,000	499	15
7,000	984	35
10,000	1,764	72
15,000	3,450	157
20,000	5,595	264
25,000	7,845	376
50,000	20,635	600

(a) This is the combined federal and provincial income tax, including the old age security tax, in all provinces except Quebec, Manitoba and Saskatchewan. The taxpayer is assumed to take the optional standard deduction of $100 in lieu of deductions for medical expenses and charitable donations.

TABLE 3

To Illustrate the Proposed Surtax on Personal Income Tax

Married taxpayer—two children eligible for family allowances

Income	Present tax (a)	Proposed surtax
$	$	$
3,500	102	—
4,000	184	3
4,500	274	6
5,000	373	10
7,000	828	29
10,000	1,608	64
15,000	3,210	145
20,000	5,325	250
25,000	7,575	363
50,000	20,305	600

(a) This is the combined federal and provincial income tax, including the old age security tax, in all provinces except Quebec, Manitoba and Saskatchewan. The taxpayer is assumed to take the optional standard deduction of $100 in lieu of deductions for medical expenses and charitable donations.

Mr. Sharp: For the information of hon. members who are listening to me now I might give a typical example, taking a current taxpayer with two family allowance children. The increase in the tax for a man with a $5,000 annual income is $10 per year; with a $7,000 annual income, $29 per year; with a $10,000 annual income, $64 per year, and with a $15,000 annual income, $145 per year. This gives an index of the incidence of this tax.

My officials estimate that this surtax will increase our revenues in the fiscal year 1968-69 by $185 million: the effect on the current year will be to increase our revenues by approximately $25 million.

Liquor and Tobacco

My second proposal is to increase the taxes on liquor and tobacco. The effect of the proposed changes would be generally to raise the weight of the federal tax on spirits, beer, wine, cigarettes, cigars and tobacco by approximately 10 per cent, effective immediately. This would be implemented by a number of measures.

The rate of excise duty on spirits distilled in Canada would be increased by $1.25 per proof gallon. For most spirits this would mean an increase from $13.00 to $14.25. The excise duty on beer would increase from 38 cents per gallon to 42 cents per gallon. It will also be necessary to provide increases of the same amounts in the tariff on imported liquors and beer.

A special excise tax would be applied to wines, both imported and domestic. The rate would be 2½ cents per gallon on wines containing not more than 7 per cent of alcohol, and 5 cents per gallon on wines containing more than 7 per cent of alcohol.

On tobacco and tobacco products we levy both excise duties and excise taxes. We propose to use the excise taxes to obtain the increase necessary. The rate of excise tax on cigarettes would be increased to 3 cents on each five cigarettes from the present 2½ cents, that on manufactured tobacco to 90 cents a pound from 80 cents, and that on cigars to 17½ per cent from 15 per cent.

In all, it is estimated that these changes on liquor and tobacco will increase our revenues in fiscal 1968-69 by approximately $95 million, and in the current year by approximately $20 million.

• (8:50 p.m.)

Corporation Tax

My third proposal concerns the corporation tax. It is designed to give us a substantial increase in our receipts next year, without adding in future to the costs of production or distribution of Canadian business. It will be of substantial help to our cash position at a time when that is necessary, and will constitute a measure of continuing reform designed to produce greater equity as between corporations and other taxpayers.

Corporations presently begin the payment of their tax in the fifth month of the taxation year to which it relates and complete these payments four months after the end of the year. This timetable of payments which was advanced in 1963 and 1964 still contrasts with that of individuals who have income tax deducted from their wages each pay day. We have decided to reduce further the difference between corporations and individuals.

In future, corporations will be required to make their first instalment payment in the third month of their taxation year and complete their payments on account of their estimated tax by the second month following the year.

[Mr. Sharp.]

Mr. Lambert: That is all windfall.

Mr. Sharp: Since some companies may have difficulty determining their actual tax liability within two months of the end of the year, they will be permitted to make a final payment adjusting their estimate of tax to their actual liability at the end of the third month following the year. The change will not affect the date for filing corporation tax returns, which will remain six months after the end of the year.

The corporations will make the transition to this payment schedule by increasing their first ten payments for their next taxation year beginning after tonight. Under the present law these payments would each be one-twelfth of the estimated tax for the year; during the year of transition they will each be one-tenth of that amount.

We estimate that this change will increase the cash receipts of the government by approximately $290 million in the fiscal year 1968-69, of which $240 million will be non-recurrent budgetary revenues and $25 million will be old age security revenues.

Mr. Bell (Carleton): That is just a phony.

Mr. Sharp: The remainder will be credited to the provincial tax collection account from which payments are made to the provinces under our tax collection agreements. There will be an additional $50 million of receipts in fiscal 1969-70.

Special Refundable Tax

Hon. members will recall that in 1966, as a measure to restrain the boom in capital expenditures then in progress, we introduced a refundable tax on cash profits. Under the law, the payments must be refunded with interest not later than 36 months after they were due, or after they were received if they were late. They could be repaid as much as 18 months earlier if the government so decided. Consequently the amount collected—some $230 million in all—must be repaid some time between today and June, 1970. Clearly it would be difficult to make repayment in in the next few months, but I believe we should not put off the repayment entirely until the last possible date for that would add seriously to the burdens to be faced during the 1969-70 fiscal year. I believe the measure I have proposed in regard to corporation taxes will provide us with enough cash receipts to permit us to repay a substantial amount of the refundable tax during 1968-69.

We now propose to begin the refunding process in June of 1968, refunding then the payments received before June 30, 1966. Every second month thereafter we will refund one month's receipts; in August 1968 we will refund payments received in July, 1966; in October, 1968, receipts of August 1966, and so on until February, 1970. The final payments will be made in May of 1970 refunding amounts received in May 1967, as the law requires, and late payments.

In order to reduce administrative costs, we should refund with our first payments in June the total amount received from those corporations whose aggregate refundable tax did not exceed $1,000. We will be asking parliament for authority to do this.

This program would require payments of approximately $105 million, including interest, during fiscal 1968-69. During the following fiscal year it is estimated that the payments will be $139 million—leaving a few million to be paid in May 1970. These payments are not budgetary expenditures, but repayments of debt.

Conclusion

Mr. Speaker, the substantial proposals which I have put forward would increase our revenues in the current fiscal year by some $45 million and, together with the reductions in expenditures to be announced, will hold our budgetary deficit this year close to that forecast in the budget of June 1. It will hold our estimated over-all cash requirements for the current year—apart from any changes in our foreign exchange reserves after today—to about $1,550 million. This will leave us with a substantial amount to borrow from now until the 1st of April, but I regard that as manageable.

Mr. Bell (Carleton): What amount?

Mr. Sharp: I shall be glad to answer a question in that context later. I should like to conclude my speech.

For next year the changes proposed will add about $520 million to our budgetary revenues—including the large non-recurrent revenue arising from the change in the timing of payments by corporations. This will bring our estimated revenues for next year up to within about $80 million of the level to which we intend to hold our expenditures, apart from medicare and the Expo write-off. These tax changes will also increase our cash receipts during the fiscal year 1968-69 by approximately $570 million. It should enable us to hold our over-all cash requirements, including the repayment of the refundable tax, well under the ceiling of $750 million I announced on November 10.

Six months ago, in presenting the main budget, I said: "There is no one-shot economic nostrum guaranteed to keep us healthy through the coming year". That budget of June 1 marked a stage in the continuing process of economic adjustment, in the process of managing our prosperity. So do the measures I have placed before you tonight, made necessary by the persistence of inflationary increases in prices and costs, both in Canada and abroad, that threaten to erode the foundations of our prosperity.

The federal government cannot by itself control inflation. What this government can do and is determined to do—with the support of parliament—is to keep its own finances in order, take action to steady the economy and give leadership to the other governments in Canada and to the country at large. This task is difficult and involves some tough decisions. But, as I remarked earlier, an ounce of prevention now is far preferable to a pound of cure later.

Income Tax Act Resolution

That it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for the 1968 and subsequent taxation years, in addition to the income tax otherwise payable by an individual under the Income Tax Act, a special surtax be payable equal to the lesser of

(a) 5 per cent of the amount of the basic tax as determined under section 33 of that Act in excess of $100, or

(b) $600.

2. That for the taxation years commencing after November, 1968, a corporation shall during the 12 months period ending two months after the close of each taxation year, pay to the Receiver General of Canada

(a) on or before the last day of each of the 12 months in that period, an amount equal to one-twelfth of the tax as estimated by it at the rate for the taxation year

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year,

(b) on or before the last day of the month ending three months after the close of each taxation year the remainder of the tax payable on its taxable income for the year at the rate for the year

and that for the taxation year commencing in the period after November, 1967, and before December, 1968, a corporation shall during the ten months period ending two months after the close of its taxation year pay to the Receiver General of Canada

(c) on or before the last day of each of the ten months in that period, an amount equal to one-tenth of the tax as estimated by it at the rate for the taxation year.

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year,

(d) on or before the last day of the month ending three months after the close of its taxation year the remainder of the tax payable for the year at the rate for the year.

Excise Act Resolution

That it is expedient to introduce a measure to amend the Excise Act and to provide among other things:

1. That effective December 1, 1967, the duty of excise on spirits distilled in Canada be increased from thirteen dollars to fourteen dollars and twenty-five cents per proof gallon.

2. That effective December 1, 1967, the duty of excise on Canadian brandy be increased from eleven dollars to twelve dollars and twenty-five cents per proof gallon.

3. That effective December 1, 1967, the duty of excise on all beer or malt liquor be increased from thirty-eight cents to forty-two cents per gallon.

Excise Tax Act Resolution

That it is expedient to introduce a measure to amend the Excise Tax Act to provide among other things:

1. That effective December 1, 1967, the excise tax on each five cigarettes or fraction of five cigarettes contained in any package be increased from two and one-half cents to three cents.

2. That effective December 1, 1967, the excise tax on each pound of manufactured tobacco, including snuff but not including cigars and cigarettes, be increased from eighty cents per pound to ninety cents per pound.

3. That effective December 1, 1967, the excise tax on cigars be increased from fifteen per cent to seventeen and a half per cent.

4. That effective December 1, 1967, an excise tax of

(a) two and one-half cents per gallon on wines of all kinds containing not more than seven per cent of absolute alcohol by volume, and

(b) five cents per gallon on wines of all kinds containing more than seven per cent to absolute alcohol by volume,

be imposed in addition to any other excise tax imposed by the said act payable at the time of sale by the Canadian manufacturer and at the time of importation or withdrawal from bonded warehouse by the importer or transferee who takes imported wines out of bond for consumption.

CUSTOMS TARIFF

13. Resolved, that the *Customs Tariff* be amended by adding thereto a section as follows:

There shall be levied, collected and paid as a Customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount determined as follows:

(a) *in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15625-2, 15630-1, 15635-1 and 15640-1, one dollar and twenty-five cents per gallon of the strength of proof; and*

(b) *in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, four cents per gallon.*

14. Resolved, that any enactment founded upon the foregoing resolution shall be deemed to have come into force on the 1st day of December, 1967, and to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day and before the 1st day of January, 1968, and to have applied to goods previously imported for which no entry for consumption was made before the 1st day of December, 1967.

Hon. J. W. Monteith (Perth): Mr. Speaker, may I begin my remarks by saying to the minister on behalf of all Canadians, "A merry and prosperous Christmas to you, too."

Some hon. Members: Oh, oh.

[Mr. Sharp.]

Mr. Monteith: After tonight's budget it will certainly be less so for most of us, and indeed somewhat more spiritless.

Some hon. Members: Oh, oh.

Mr. Monteith: I, too, would like to pay my tribute to St. Andrew's day, or St. André's day, as the minister now calls it. I must say that I was very much impressed with that part of his speech which he delivered in Gallic. Having been made aware of the full content of his budget message, taxpayers all across Canada have a very much closer relationship to the "Scots, wha hae wi' Wallace bled". Now it is, "Canadians wha hae for Mitchell bled."

It has become a common thing for the minister to produce these fiscal afterthoughts and having to correct errors in his earlier budget, or to compensate for his failure to predict correctly what was happening in the economy. Last December 19 the minister brought in a so-called mini-budget practically on the eve of Christmas. As we had expected, he increased taxes. Now tonight, roughly a year later, he presents not a mini-budget but a meany-budget. Again, almost on the eve of Christmas, he increases taxes.

Mr. More: And a happy new year to you.

• (9:00 p.m.)

Mr. Monteith: Mr. Speaker, when is this complete disregard for the plight of the Canadian taxpayer going to stop? The minister has asked us to place our confidence in his judgment. How good has it been in the past? The following is the minister's statement made last December 19, at the time when he presented his mini-budget, as recorded on page 11332 of *Hansard*:

> My judgment is that the economic expansion now taking place is more in line with the capability of our economy to grow steadily without inflation.

Later on he said:

> —I now believe we can expect some moderation in the trend of wage increases and further restraint in pricing policies.

What has happened actually? Consumer prices have risen 3.6 per cent since then. We have inflation, a sagging economy, higher and higher prices, and extraordinary government expenses, mostly non-productive in nature.

The minister has attempted to lay the blame for the present situation on world wide conditions. He said the whole thing was talked over in Rio last autumn. I will wager he did not tell the other ministers of finance the whole story as regards Canada. Subsequently I intend to review in greater detail just how the government has brought us to this precarious situation.

First let me admit freely that there is turbulence in the financial and economic community at large. Then I must say that Canada's troubles have been accentuated to a very dangerous point by the complete ineptness of the government in its monetary and fiscal approach to our problems. Never have so many financial statements been made by a government; never have so many warnings been issued; and never has there been such contradiction and deterioration.

Last June we were presented with a budget in which the minister gave his usual reassurances that all was well, except for a possible danger of inflation which he was confident he could manage. On October 4 we had substantially the same message, that all was well, that there were some problems but they were being managed under this government's policies. The minister stuck a pin in his own balloon on November 10 when he had to rise in the house and say that he needed more money.

The sole purpose of this budget is to raise money for the government's extravagant expenditures. Again tonight we have had a lengthy statement containing the minister's exhortations on what we must all do, but no indication of an awakening to reality by the government. Where is the restraint in this budget? The London *Economist* said the only policy left to this government is restraint. It urges restraint on everyone else but does not practise it. We have had message after message, statement after statement, exhortation after exhortation, and yet the situation continues to deteriorate.

All the government has done tonight is to go to the taxpayer once more and to turn the screw a little tighter. The minister has dressed up that simple operation with a mass of verbal gymnastics. All that can be accomplished by these measures is a further damping down of the economy at a time when a number of indicators are beginning to sag. I will not quote many people this evening, but let me quote John Meyer from this morning's issue of the Montreal *Gazette*. This is what he said:

> It's difficult to imagine the timing for the budget being less fortuitous than it is. The economy has lost way and is wallowing in the cross currents of indecision.
>
> The public mood is one of weary resentment of government fumbling. The budget itself can offer nothing to inspire. It is, after all, hardly more than the belated correction of a gross miscalculation, or rather a series of gross miscalculations, over the past two years.

The minister has said that next year he will increase his spending by 4.5 per cent, without taking into account medicare, Expo, or old age security. The budget expenditure, he said, will be $10.3 billion. This means we will continue to have inflation and unemployment in a sagging economy.

The government's measures have been unrealistic and haphazard, with the result that we now have uneasiness, lack of confidence and a growing concern about the economy. We in the official opposition, while being as constructive as we possibly can in the face of this government's fiscal inadequacy, are nevertheless conscious of great uneasiness for many reasons, of which I will just mention three or four.

This budgetary statement does nothing to get the economy back on the track of stable growth. It shows no realization of the damaging effects of inflation, and very little intention to discipline and organize government spending. It is obvious that what we have had tonight is simply a device to help finance an unrealistic level of government spending. The minister's inability to curb his colleagues or to persuade the Prime Minister to curb them indicates that the considerations behind the fiscal policy of this government are not economic but political.

It all comes down to one basic fact. The government has grossly overspent. Later I intend to deal in some detail both with the spending record of the government and with its disgraceful record of increasing taxes throughout its term of office. What then do we face because of the government's complete disregard of any sense of thrift or of any trust placed in it by the Canadian people that it will spend their money wisely and carefully? The Liberal government has so overspent that it can no longer use taxation as a measure of fiscal policy. This has put unbelievably severe pressures on any possible monetary control of the economy, and because of loss of confidence it can no longer borrow the required sums without paying exorbitant rates of interest. I refer of course to the sums it requires because of its huge deficit in turn caused by its spendthrift ways.

The government's prime need is cash —cash pure and simple—to pay its bills. We have witnessed a desperate attempt by the minister in the last few months to instil some confidence in investors for Canadian securities. The minister began by saying that in next year's estimates there will be huge savings. How silly can he be, and how naïve does he think Canadians are? How could we know what savings will be made next year? No one outside government circles has ever seen the coming year's original estimates. I would think the original estimates for every year since confederation have been cut and frequently slashed before the final figure was presented by the government. Despite all this fancy footwork by the minister, he said that next years spending will be 4.5 per cent above this year's, a year in which spending has been the highest ever. I ask, why? The press across this country is worried, as we have seen in recent weeks and months, and I would like to read a few words out of an editorial which appeared in the Ottawa *Journal* of November 14, 1967, which read as follows:

• (9:10 p.m.)

> Finance Minister Sharp has been sanctimoniously parading a four-and-one-half per cent increase in government expenditures next year as thrift incorporated.
>
> By this government's standards, 4½ per cent is peanuts. But this is 4½ per cent on top of 12 per cent last year which in turn was on top of 14 per cent the year before. All Sharp and the government are doing is to slow down the rate of spending which got out of hand years ago.
>
> If the government had said that it was going to reduce its spending by 4½ per cent or even keep it the same as last year, the protestations of a return to fiscal responsibility could be taken more seriously.

This is an example, Mr. Speaker, of the majority opinion across Canada today that this government has mismanaged fiscal and monetary affairs.

If I may summarize, Mr. Speaker, fiscal policy—that is, the attempt to control the level of economic activity—has been tossed out of the window. These taxes have nothing to do with the over-all requirements of the Canadian economy. Indeed they may well do a lot of harm to economic activity. The government simply needs money—lots of money —to pay for its extravagances. It cannot borrow any more. Despite this, it still intends to spend more. This present attempt to bolster confidence in Canada's financial policy by raising taxes should have been unnecessary. The required confidence would have been there had the government acted prudently on the matter of expenditure over the past few years.

When this debate is resumed, Mr. Speaker, the minister's so-called message will have been given the most careful attention. I do not intend tonight to delve into his tax changes; certainly there will be plenty said

about them next week. May I simply conclude, Mr. Speaker, by saying that here again we have had another Scrooge budget with which to face Christmas. I suggest that the taxpayer's lament at this time might well be: "I'm dreaming of a white Christmas—bled white by this government".

May I adjourn the debate, Mr. Speaker?

On motion of Mr. Monteith the debate was adjourned.

GOVERNMENT EMPLOYEES COMPENSATION ACT

AMENDMENTS RESPECTING EXTENSION OF COVERAGE

Hon. J. R. Nicholson (Minister of Labour) moved the second reading of Bill No. C-184, to amend the Government Employees Compensation Act.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

NATIONAL MUSEUMS

MEASURE TO ESTABLISH CORPORATION FOR ADMINISTRATION

Hon. Judy V. LaMarsh (Secretary of State) moved the second reading of Bill No. S-2, to establish a corporation for the administration of the national museums of Canada.

Mr. Bell (Carleton): Is the minister not going to make a statement? We would like to hear her speak tonight.

Miss LaMarsh: Mr. Speaker, I do have a lengthy speech, but since hon. members are in such a good mood I shall not continue at length. I should like to say to hon. gentlemen that this bill has been before the other place and been to a committee in March of this year. It was reported back unamended, and now appears before the house.

This is an interesting bill, dealing with some of our oldest institutions—the National Gallery, which goes back to 1913, and the museums of Canada, which go back to 1842, some four years older than a similar institute, the Smithsonian, in the United States.

The principal purpose of the bill is to bring together under one administration all national museums, including the National Gallery. There is to be set up one board, which is not to be composed of experts but a board of generally cultured people to represent the country. The members of the board may be replaced from time to time, instead of the

board being a sort of self-perpetuating organization as is the case with some boards. The legislation also provides for the setting up of advisory councils of experts in various disciplines. These it is expected will be of assistance to the board.

This situation is somewhat similar to that at the Smithsonian, which as some hon. members may know is a loosely knit series of museums. Some of them are run completely by government appointed officials; others by individuals who have privately made very substantial donations, such as the board of the national gallery in the United States, which has been set up almost completely through Mellon money.

As I say, Mr. Speaker, the legislation deals with the National Gallery and the museums. As hon. members know, some new museums have been opened, including one in a temporary home, the Museum for Science, which was opened a week or so ago and is already proving extremely popular. There is also the new aircraft museums. In fact, there are three kinds of museums in existence. All three branches of the museum, together with the gallery will be placed under a single board of trustees and its officers. There will be a senior administrator who will be designated secretary general, and the purpose of designating him is to bring all the administration into one place to relieve people who become directors of the gallery, or of the museums, and who themselves are experts in a great deal of administrative responsibility and routine.

• (9:20 p.m.)

We think this will lead to savings of money and to a more economical and improved administration. It will free the director of the gallery and directors of the museums, and allow them to devote their full time to the professional development of their museums. We hope that this type of administration will improve the interest in and support of all our national galleries. The legislation will set up a board of trustees to run our galleries. It will set up a single administrative body, with the persons composing it reporting to the under secretary of state.

The provisions of this bill deal with moneys that will be voted by parliament for the purposes of the corporation, through normal estimates and appropriation procedures. The cost of the administration and operational programs of the corporation will be financed and controlled in exactly the same way as if the corporation were a department

of government. There is a normal provision for a revolving fund to cover the holding of publications and their sale to the public. We also provide in the bill for two special accounts in the consolidated revenue fund, both of which will be interest bearing and non-lapsing. The first is a purchase account for the acquisition of objects for the collections on the advice of, and with suitable delegation of authority to, individual directors. As hon. members may recall, in times past money has lapsed if it has not been used in a fiscal year. As I say, purchases will be made on the advice of directors, who will assist in these purchases.

The second account is a special trust account which will enable the trustees to accept, if they see fit, and to administer, donations and bequests of any kind, in accordance with the conditions which may be attached to those donations. In the past it has not been possible to accept conditional gifts. For instance, in the past if someone wanted to leave something to Canada but wanted what he left to be kept in a certain part of Canada, or if he wanted the gift to be used for a particular purpose it was not possible to accept it. We hope that now a much wider group of Canadians will have the opportunity to benefit from the national collections.

In brief, Mr. Speaker, the provisions of the bill are to ensure that the national treasures of Canada are preserved, added to and made available to Canadians as a whole. This bill, which has already been scrutinized by members in the other place, deserves speedy passage through this house, and I commend that course to hon. members.

Mr. Bell (Carleton): Before the hon. lady resumes her seat, would she indicate whether she is prepared, after second reading, to send this bill to one of the standing committees —perhaps to the committee on crown corporations—for study? The hon. lady's answer might enable us to give some indication of what we might do on second reading.

Miss LaMarsh: I refer my hon. friend to the volume of the other place where this matter was debated.

Mr. Bell (Carleton): I have read the debate, thoroughly.

Miss LaMarsh: It is obvious that the learned gentlemen of the other place perhaps have more time, and some might say, more proclivity—

[Miss LaMarsh.]

Mr. Bell (Carleton): Perhaps they have not more wisdom.

Miss LaMarsh: I have been taught that my elders necessarily have more wisdom than I have.

Mr. Churchill: Hear, hear.

Miss LaMarsh: That means that my hon. friend is wiser than I am—though only by a month or so. Since this matter has been scrutinized by those in the other chamber, who perhaps have more time than we have for such scrutiny, and since this matter was before a committee, and this bill has been examined for more than six months, perhaps hon. members of this chamber might deal with the bill expeditiously at this time.

Mr. Knowles: Would the minister permit another question before she sits down? Can she tell the house whether this legislation envisages that any of these museums will have branches in various parts of Canada, so that the things we collect for Canada can be seen by more of our people?

Miss LaMarsh: Not specifically. As my hon. friend realizes, a new museum building has long been promised for the capital area. That is becoming necessary.

Mr. Dinsdale: Hear, hear.

Miss LaMarsh: First, we must have a building for display purposes. We now have considerable additional storage area. Of course there is no purpose in having national treasures if they are not out where people can see them. In the past the National Gallery has spent much money and has done laudable work for art shows. It is contemplated that the treasures which are owned by the people of Canada, and are permanent deposits here, will be made available to as many Canadians as possible. I think that all directors of museums and galleries are anxious for our people to see our treasures. A good example of the kind of thing being done can be seen in the centennial train and caravans, which have brought matters of interest to our people in their home environments.

Mr. Nasserden: Mr. Speaker, after the harrowing experience we have gone through tonight, after listening to the Minister of Finance, I am interested to know if the Secretary of State can define "cultivated people"?

Miss LaMarsh: My hon. friend would qualify. It means, people of culture.

Mr. Dinsdale: Could I ask the hon. lady if it is contemplated to reach an understanding with provincial museums whereby the most important art treasures in Ottawa can be made available, on loan, to provincial museums? This would be particularly useful in bringing some artifacts in other parts of Canada to Ottawa. The provincial areas involved would be willing to co-operate if there were some basis that would enable the exchange of art treasures between the provinces and Ottawa.

Miss LaMarsh: Nothing in the bill prevents that. There has been a sort of renaissance in our museums and the gallery; which has been stimulated by centennial year. I thank hon. members for supporting, by their attendance, centennial openings of museums, and for their attendance in the gallery. There seems to be an intensified interest this year in these matters, with greater exchange and co-operation between national and provincial institutions. I am sure, if it is parliament's wish that there be more active programs of exchange, that the directors would be happy to know of this, and happy to know that they have parliament's support.

Hon. R. A. Bell (Carleton): I had hoped that the minister would agree to referring this bill to one of our standing committees, before which we might take evidence. We could try to determine what the future of the national museums, the National Gallery and other organizations that will come under the aegis of this new bill, will be. I confess that I have grave reservations about the proposals made in this bill.

We, as Canadians, have been tremendously neglectful of our history and traditions. We do not seem to understand that we have one of the most romantic histories of any country in the world. We are inclined to play down the history of our nation and to say, "We are dull people; we do not count in the great march of history."

Anyone examining our country, whether that examination is confined to the great march of history, to archaeology, or to the history of the last 300 or 400 years, will find that ours is one of the most exciting and romantic histories. We need to let our young people understand this. If they do understand, I believe we shall have some unity in our nation. It is for that reason that this bill is of greater importance than, perhaps, hon. members realize.

• (9:30 p.m.)

The bill received a very cursory examination in the other place. I hope you will not call me to order, Mr. Speaker, but that is the type of examination which the other place is giving to all legislation, and if the other place does not give better examination to bills than it has been doing in the last two years it will forfeit its right to be considered a second chamber of any distinction whatever.

An hon. Member: It has already done so.

Mr. Bell (Carleton): I opened on the basis of our history and how important it is. Now we come to consider the problems faced by the National Museum over the last number of years. It is foolish to say there have not been very grave problems indeed. The minister has experienced them, and so did her predecessor. Before this bill goes to committee I think it is important that we should ask: How will it change or help to solve problems of a personality nature? Such a change will not be brought about simply by appointing a new board of directors.

I have a clipping in front of me with the headline: "Glover's Statement—Museum Bill Cause for Resignation." There have been many resignations from the National Museum over the last three or four years. Why? I think we should be given an explanation. How will this bill improve matters? I see the minister pointing to one of her predecessors in this connection. These problems should be clarified, and that is why I would like the bill to go to the committee.

The major reservation I have in connection with this measure is that it would bring the National Gallery under a board of trustees which would have responsibility for all our museums. I shall need a great deal of convincing that this is the best course to follow. I confess I do not believe that the type of persons who would agree to serve on a board and who would be interested in geology, paleontology, in the National Aviation Museum, in ethnology, archeology or various subjects of that kind would be persons with the judgment and discrimination required to make a first class job of running the National Gallery of Canada.

Perhaps we have not gone as far as we should in building up our National Gallery. I shall have to take my full share of responsibility, as a minister who once reported for the gallery. I think we have been inclined to downgrade its affairs, to say that art is for the arty folk and that not too much attention

should be paid to it. The minister shakes her head. I give her full credit for the approach she has taken since she has been responsible.

Some hon. Members: Hear, hear.

Mr. Bell (Carleton): We must recognize the National Gallery as something that our grandchildren—I hope the great grandchildren of the minister—will regard as one of the great assets of the nation.

Miss LaMarsh: My grandchildren?

Mr. Bell (Carleton): No, the minister's great grandchildren.

Miss LaMarsh: I had better get started.

Mr. Bell (Carleton): I do not want to give the minister any incentive tonight.

Miss LaMarsh: The hon. member always has.

Mr. Bell (Carleton): I am getting in deep, I can see.

Mr. Churchill: How about getting back to the bill?

Mr. Bell (Carleton): We should look upon the National Gallery as one of the truly great assets of this nation in the years ahead. My point is this: Can we hope to get a board of directors composed of men and women sufficiently sophisticated and sufficiently knowledgeable in relation to National Gallery matters, whom we should also appoint to the board of the National Museum with its special interests in paleontology, zoology and so on? I will need some convincing.

I am aware that this is the situation in the Smithsonian Institute. I have been there and I recognize it is one of the most magnificent institutes in the world, one of the finest series of buildings I have ever visited. But I wonder whether we could duplicate such a board in Canada. I fear we cannot. I think, therefore, we should retain a board responsible for the National Gallery, and that we should have a separate board responsible for the National Museum. In my opinion the step proposed in this bill is a retrograde one. I think we shall suffer as a result of it, and that the future will show its lack of wisdom.

It is true there has been much pettiness in the National Museum and we want to get rid of it. The suggestion here is that we should wipe the slate clean and have a new board. But I wonder whether the result will be the one it is hoped to achieve. I trust the minister will give serious consideration to these words, which are sincerely spoken and which reflect my concern about whether it is wise to bring the museum and the gallery together. Would it not be far better to keep them separate, and to give distinct responsibilities to those who are prepared to serve the two institutions.

I had not intended to speak on this subject. I would have much prefered to speak tonight on the budget. But I want at least to indicate the most serious reservations with respect to this legislation, to tell the minister why I hope it will go to the committee, and why, if it gets to the committee of the whole, the hon. lady should give us explanations far more complete than those which have yet been presented to us.

Mr. H. W. Herridge (Kootenay West): My hon. friends in this party were somewhat surprised when I indicated that I wished to say a few words on this bill. Perhaps, because our policy does not allow me to accept an appointment to the Senate, they were wondering whether I was not asking to join a museum.

Some hon. Members: Oh, oh.

Mr. Herridge: First of all, I want to repeat the compliment which the hon. member for Carleton (Mr. Bell) paid the minister. It seems that since the hon. lady became responsible for the museum a great deal of the pettiness and professional jealousy which went on in the past has been dissipated. We support the principle and purpose of the bill. We are not sure what experience will prove with respect to its administration but we do think it is a great improvement over the situation as it has existed in the past.

I have been interested in this subject for a number of years. People in other countries have been interested in it also. I have received dozens of letters from people interested in museums across Canada and the United States expressing concern at the events which have taken place in our National Museum. I should like to quote briefly from one of these letters because it shows that others, outside Canada, are interested in this question.

• (9:40 p.m.)

I have a letter here from Dr. Vernon Leslie, director of the Pennsylvania Institute of Anthropology dated December 26, 1963:

Dear Mr. Herridge:

For some time I have been intending to write to you relative to the situation which has unfortunately been allowed to develop at the Canadian National Museum. Many scholars in the United States have been observing events there for several years—in fact, since the resignation of one of America's most brilliant young archeologists, Mr. Thomas E. Lee.

Since science knows no international boundaries and because of the fact that your name has been mentioned as a champion of the effort to clean up this museum mess once and for all—

I did not know I was a champion of anything really.

—I am taking the liberty of writing to you on the matter. It is the feeling here that every effort should be made to restore the museum to its former status as a research institution.

I judge that is contemplated in the terms of this bill.

Then I have another letter here from the Director of the Instituto Interamericano, of Denton, Texas, dated November 13, 1963:

Dear Mr. Herridge:

We have been interested in the affairs of the National Museum of Canada for some time since our organization is dedicated to the study of man and his activities, past and present, and the dissemination of knowledge thereof. We have kept in touch with the museum's stormy affairs through the Canadian press. I enclose a copy of our current newsletter that you may see how things look to us at the moment. See page 5.

I read the newsletter and it indicated at some length their, shall I say, grief at what was happening in our national museum at that time.

While our area of interest is world wide, we are perhaps best informed on the U.S. and Latin America. For this reason we are curious about certain points and facts which seem uniquely Canadian.

Then he went on to write:

A third point involves the museum staff. It is rather odd that twice within four years there should be wholesale resignations either voluntary or forced. Is this due to internal stresses or is it also a matter of politics as also has been suggested by published articles?

I suppose that all of this is really none of our affair but we are intensely interested and greatly involved in anthropology in the Americas and this museum matter affects Canadian anthropology gravely. Moreover, we have always had a very warm feeling for Canada and her people.

Sincerely yours,

Carl B. Compton,
Director.

Then I had another letter from the director of The Massachusetts Archaeological Society, Inc., who wrote on January 3, 1964:

Dear Sir:

The writer has noted with growing concern the adverse effects of the present controversy in Ottawa with regard to the control of archaeological work in that area. This attempt by certain professional archaeolgists to obtain complete control of the field is by no means confined to Canada.

I think in this letter he was referring to certain United States citizens who could not take the oath of allegiance to Canada and who had a very prominent part in our museum at that time.

Witness the treatment accorded to Dr. Vernon Leslie in this country for publishing an article entitled "Fraud in Ontario Archaeology."

This shows that what happened in our museum aroused the interest of museum directors in many places in the United States as well as in Canada. I have one more short letter here, and I want to quote briefly from it in view of the minister's statement that the purpose of the museum is to preserve things of great value to Canada, artifacts and things of that sort. The letter is from Mrs. Robert L. Needham, who is a bachelor of science and a master of arts, sent from 647 River Road, Corunna, Ontario, on January 30, 1964:

Dear Mr. Herridge:

Would you please send me a copy of *Hansard* containing your speech re the national museum disgrace?

I am an American with a Canadian husband, living in Canada. Canadians criticize Hoffa. We Americans have no greater national disgrace, at least until Kennedy's assassination, to equal that museum scandal.

Canadian artifacts being given by McNeish to American museums is something Canadians are going to resent in a very big way.

Further on she wrote:

Dr. Rousseau and Mr. Tom Lee could make that museum a place of which Canadians could be proud.... The government has let the Canadian people down most shamefully.

That was the government of the hon. gentleman from Carleton, who was speaking a few minutes ago. Then she added:

—we, my Canadian husband and I, admire you for trying to do something about it.

I just brought to the attention of the house certain facts given to me by the staff of the museum at that time. Then came this paragraph:

Dr. Rousseau and Mr. Tom Lee could make that museum a place of which Canadians could be proud, instead of the pathetic shambles it is, losing its good men to the U.S. because they can't stand the disgrace of it. We've admired Tom Lee's

absolute honesty, integrity and courage to fight for Canada while being soundly booted by the country of his loyalty.

I just wish to give one more quotation from the Anthropological Journal of Canada, volume 5, No. 3, 1967, which is the quarterly bulletin of the Anthropological Association of Canada. The editor is Thomas E. Lee who, I understand, is now professor of anthropology at Montreal University. In it he has an article entitled, "Members of Parliament, Lend Me Your Ears." It reads in part:

Readers of this Journal have long been aware of editorial concern over the problem of foreign control of archaeology and the archaeological profession in Canada. In general, references have been oblique, often obscure, out of certain knowledge of human nature that to mention the citizenship of an involved person is to raise the hackles of well-meaning but poorly informed friends, and to be branded as "anti" something or other. The international character of the Anthropological Association of Canada and its published bulletin, of its associates, and of its long record of co-operation, should tell all reasonable persons that, as applied to either the association or myself, the charge would be false. But, as one who was hounded from a civil service position, into long years of unemployment in my own country by the activities of non-Canadians and those who served them well, I feel eminently qualified and informed to speak on that subject. And one might even dare hope that thoughtful Americans would share the concern and resentment of their Canadian counterparts and of the victims themselves—

The peculiar placing of R. S. MacNeish of Brooklyn in the civil service of Canada in 1949—an act with which J. B. Griffin of the University of Michigan proudly told our government years later he had "something to do"—was the beginning of a process that has produced an institution and a profession in Canada that is anything but Canadian, although supported entirely by Canadian taxpayers' dollars. What parliament apparently was unable to determine, then or later, was the extent to which infiltration by non-citizens had occurred in university departments and other institutions across Canada—

Yes, Canadians have been pathetically apathetic—indifferent to what has been going on around them and among them. They might do well to look at page 7, *The Interamerican*, volume v. 14, No. 4, 1967, Denton, Texas. "By a vote of more than 13-1 the Fellows of the American Anthropological Association have adopted a statement which deplores the employment of anthropological research as a cover for foreign intelligence activity."

I just wonder whether any of these gentlemen were placed in our museum staff, or in other museums in this country, as a cover for foreign intelligence agencies. I have had quite a few discussions with a number of people who have come to my office from Montreal, Toronto, and other places, and this is of serious concern to some of them.

[Mr. Herridge.]

Further on the article reads:

But if anyone raised the matter of citizenship, this is not indicated. And it ought to have been raised. This is no innocent little get-together of a group of professional men co-operating across the border. This "Council For Canadian Archaeology"—composed of persons "concerned with work in Canadian archaeology or working in Canadian institutions" is very heavily loaded with United States citizens—as was the group of 12 meeting in Reno, Nevada, at an earlier date to hatch up the scheme (although the birthing pangs are happily and conveniently attributed to a Canadian-born holder of a Michigan degree).

• (9:50 p.m.)

I have quoted briefly from some of these letters and this article in order to indicate what has happened in the past and what has caused many Canadians a great deal of concern, particularly those who are interested in this subject. This is the reason, when I rose to speak, that I congratulated the minister. The tenor, the tempo and the development since this department has come under her jurisdiction have been greatly improved. I trust that the board of trustees for the administration of this and other museums will clear up the situation once and for all, and that the numerous citizens who are qualified will have the first opportunity to serve the government of Canada, rather than those who are sent in from other places at the direction of anthropological organizations outside of this country.

That is all I have to say at the present time. I may have a few words to say when we deal with the various clauses of the bill.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I do not wish to delay the second reading of this bill, nor do I wish to prevent other members who have indicated an interest in this bill from having an opportunity to speak in respect of it. In view of the fact that there are several other members who wish to speak tonight, I think perhaps the suggestion already made by the hon. member for Carleton (Mr. Bell), to the effect that we might well refer this legislation to a suitable committee following second reading, would be an excellent one. I say this because I did have some responsibility for museum matters for a short period, not during the period referred to by the hon. member who has just spoken, the hon. member for Kootenay West (Mr. Herridge), but following that period of difficulty, when plans were afoot to put the National Museum of Canada on a basis that would be adequate for the stature of Canada at this particular time.

It had been the hope that by our centennial year we would have a fine new building and a fine new organization, such as is outlined in this legislation, as one of our major centennial projects. If I might be permitted to quote the bard on St. Andrew's night, "The best laid schemes o' mice and men Gang aft a-gley". I might take this measure as a step forward. However, unfortunately I have found myself in precisely the same position as the hon. member for Carleton. I have searched the records of the debates of the other place and I am forced to say that the discussions there were quite superficial. I believe that if we referred this matter to a committee the interest generated there, both on the part of the members and the press would have a beneficial and educational effect in influencing the public of Canada as to the importance of preserving their historic past.

Even though we are dealing with artifacts and the Canadian past, it is almost impossible to find published information on the operations of the Canadian National Museum. I am sure members would be only too happy, in coming to grips with this situation, to take the necessary time to examine the legislation, which on the surface seems to be reasonable enough so far as the personnel organization is concerned. I do not believe that merely to state it is patterned after the Smithsonian Institute is too informative. One thing of course which we will not have is the facilities and buildings which house the Smithsonian Institute. This is an important aspect of any museum project.

At this stage I would support the hon. member for Carleton and hope that the minister would refer this matter to a committee for further examination.

Mr. Frank Howard (Skeena): Mr. Speaker, I am one of those who believe that the committee system is quite valuable in examining pieces of legislation, but I cannot quite share the imaginative enthusiasm of the hon. member for Brandon-Souris (Mr. Dinsdale) in his suggestion that it would excite the imagination of the many members of the press to have this bill referred to a committee. I think we could do just as valuable an assessment of it here as could be done in a committee—and perhaps a more valuable one. As the minister put it, we do not all fall within the class of people who have the detailed interest which one would have to have in a subject such as this.

I am one who on a number of occasions has had cramps in his legs from visiting museums, because I enjoy the materials contained therein. I have a particular interest in them. I should like to mention certain items of artistic and historic value which usually are contained in museums and which emanate from the native Indian people on the west coast. These people developed an artistic form which is equal to perhaps anything in the world. I believe it was the people of the early west coast tribes, with their artistry and imagination, who did the murals and totemic carvings which contributed a tremendous amount to artistic matters and art forms. It has been mentioned by someone far more learned than I that the totemic works of the west coast Indians were the only original North American art forms developed here and that everything else had been developed in another nation. This particular form is extremely original.

A program of totem pole restoration is being undertaken all along the Skeena river. This is a program in which the provincial government assists financially. I do not know whether it is conceivable that the museums might be able to participate in this program, but it would seem to me that this would be a very worthwhile project for the corporation or some of the museums to participate in. In this way they would be able to help preserve some of the value and quality of these totem poles on the sites where they originally stood.

Mr. Speaker, I do not know whether there is a desire to proceed or to call it ten o'clock. In view of the fact that some other members have indicated a desire to speak, I think I might call it ten o'clock and return to this subject another day.

The Acting Speaker (Mr. Rinfret): Order, please. It is now ten o'clock.

BUSINESS OF THE HOUSE

Mr. Starr: Mr. Speaker, I should like to ask the government house leader if he would give us some indication concerning which matters will be discussed tomorrow on government orders, and the order in which they will be taken up.

Mr. MacEachen: Mr. Speaker, tomorrow we will continue with the second reading of the bill to establish a corporation for the administration of the National Museums of Canada. Then we will have the committee stage consideration of Bill No. C-151 with

regard to the financing of the Canadian National Railways system. The next order of business will be the second reading of Bill No. S-19, respecting the boundary between the province of British Columbia and the Yukon and Northwest Territories. This will be followed by second reading of Bill S-18, an act to amend the Publication of Statutes Act; second reading of Bill S-3, an act respecting the armed forces of countries visiting Canada; the resolution preparatory to amending the Historic Sites and Monuments Act, and the resolution preparatory to amending the National Parks Act.

• (10:00 p.m.)

Mr. Starr: When that is finished what will we do?

Mr. MacEachen: If that is finished at any time tomorrow afternoon I would be glad to move the adjournment of the house.

On Monday I should like to call the resolution now on the order paper preparatory to amending the Industrial Relations and Disputes Investigation Act and, hopefully, the resolution on divorce, prior to resuming the budget debate.

Mr. Knowles: Mr. Speaker, may we have some indication as to the time when the budget debate will be resumed? Will it be on Tuesday in any case, or is this day like a movable feast day?

Mr. MacEachen: Tonight it is movable, but perhaps by tomorrow evening I will be able to say definitely that we will not call it until Wednesday. I should like to get these two resolutions passed before we begin the budget debate, so that members will have an opportunity to examine the bill on divorce and the bill in respect of the Industrial Disputes and Investigations Act. It may be that if the house takes the full time allotment on each of these resolutions we will not be able to proceed with the budget debate until Wednesday. Perhaps by consultation we may have some indication as to whether we can call the budget debate for Tuesday or Wednesday.

Mr. Starr: Mr. Speaker, if I may be so bold as to suggest some change in the order of business which might help expedite the completion of this business, perhaps we could take second reading of the bill in respect of the national museums, and then proceed to number 11 on the order paper followed by number 41, number 43 and number 29.

[Mr. MacEachen.]

Mr. Knowles: Apparently there are lots of movable feasts.

Mr. MacEachen: I have no objection to that rearranged order. I agree that we call the items mentioned in the suggested order, and then the C.N.R. bill, followed by the business in the order I suggested.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AGRICULTURE—MILK—ALLEGED HARDSHIP THROUGH MINIMUM QUOTAS

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I rise this evening as a result of a question I posed to the Minister of Agriculture (Mr. Greene) last Friday, asking him whether he had received representations from the milk producers pointing out that the government dairy policy with regard to minimum quotas is creating grave economic hardships, especially among small producers. This question was unanswered at the time and I now appreciate the opportunity of putting it again this evening.

I have received many protests, both verbal and written, from milk producers and milk processors in Prince Edward-Lennox. Indeed, this government is placing the producers, especially the small producers, the processors and the small cheese and butter factories in jeopardy. My question last Friday was urgent.

If the Minister of Agriculture and this government do not change their policies and abolish this discriminatory 50,000 pound minimum quota, the small milk producers of this country will not only be soon forced out of business but, indeed, many of them will inevitably have to ask for other forms of assistance. Let me quote the letter I received on November 15 from the executive of the Elmbrook Cheese and Butter company of Picton, Ontario, in Prince Edward county. It is from Mr. A. Ackerman, the secretary treasurer of the Elmbrook Cheese and Butter company, who says:

Dear Sir:

Enclosed please find a "resolution" that the board of directors of the Elmbrook Cheese and Butter Co. Ltd. made at a meeting recently.

If all our patrons under the 50,000 lb. quota are cut off from subsidy it would sure hurt our factory.

Would you please see what can be done about this?

Thanking you in advance for giving this your attention, we are, yours truly—

Here is the resolution:

Be it resolved that we are not in favour of the 50,000 lbs. milk quota. We have about 68 patrons and of that number one third are under that quota. In order to operate our factory we need the small patrons as well as the big senders.

Mr. Speaker, this letter from the Elmbrook Cheese and Butter Company Limited is proof enough that this government seems determined to drive the small producer and cheese and butter factories from the market and out of business. Such policies cannot be tolerated, for they endanger the very economy of a vast section of rural Canada. The minister may say that a farmer or rural landholder producing less than 50,000 lbs. of milk per year is not running a viable or economically successful business.

The minister may arrive at his conclusions because of some of these modern, yet not necessarily sound economic doctrines which now try to dictate that to be successful one must be big. I refute this dogma, which is an unreliable concept. Several businessmen at home in Napanee and Picton—dealing in the farm trade, the feed dealers, the farm supply dealers and the farm implement dealers, tell me that this concept is not always so. They tell me that for the most part their best accounts and their soundest credit lie with the small farmer and not always with those who, like mushrooms, have suddenly sprung overnight into big business.

Most of these small milk producers are the owners of the smaller farms of 100 acres or less. They are men and women who are too old to attempt to venture into expansion but who are not yet of pensionable age. They are people who keep from six to ten milking cows, and quite often the reason they do not produce more than 50,000 lbs. per year is that they are feeding calves which they rear for market. These may be for either veal or for future milk cows. The calves are either pail-fed or suckling. This type of farmer in his farm practice is producing just as much, and perhaps more, toward the betterment of the country's economy as the man producing 75,000 or 100,000 lbs. of milk.

But no, this government will not give the small producer any subsidy or recognition. This is nothing but discrimination against approximately one third of the farmers of eastern Canada. The hon. member for Wetaskiwin (Mr. Moore) informs me that the same applies to western Canada.

One of my constituents said to me the other day in protest when I met him on the street in Napanee, "My wife and I milk six cows. We have been sending our product to the Forest Mills cheese factory for many years. We use the money from our milk cheques to pay the taxes, insurance and grocery bills at the village store. We have 100 acres of farm and we must use the grassland for some good purpose. Now I understand we will not receive the $1.10 subsidy because we do not produce enough to suit the government. We are not going to part with our cows, and we are going to continue to send milk anyway and get what we can from our small operation, despite the sting of discrimination as practised by this government."

Mr. Speaker, I find that this man is not alone. There are others sending to the same factory who will continue to send milk even though they do not receive the subsidy. What a travesty of trade results from the lack of use of good Canadian common sense on the part of the minister and his department. Now we will have one farmer for example who produces 51,000 lbs. of milk per year receiving all the government largesse in subsidies, but another one producing 49,000 lbs. of milk gets nothing from the government; and if he continues to send milk he takes $1.10 per hundred less for the same product. I say to the minister, stop this discrimination immediately.

I have made other inquiries and am informed that Pet Milk Canada Ltd. in Napanee, a large processor, has about 400 patrons. Of these patrons between 75 and 100 are small producers of less than 50,000 lbs. per year. What about the butter industry and the cream producer? Canadian butter production for 1967 has decreased in comparison with 1966. This is directly attributable to the present dairy policy of the government. I understand the dairy commission announced that the limitation of 50,000 lbs. for a producer to be eligible for subsidy in 1968-69 would not apply to cream shippers, and that there would be consultation with proper organizations as to a minimum quantity of cream to be eligible for subsidy next year.

• (10:10 p.m.)

This is a very indefinite promise which will not give the cream shippers and the smaller creameries much hope. Does the minister not realize that without the $1.10 subsidy the cream shipper only receives $2.20 per hundredweight for standard 3.5 milk? This is a far cry from the promised $4.75 per hundredweight.

Proceedings on Adjournment Motion

The Acting Speaker (Mr. Rinfret): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. Alkenbrack: Mr. Speaker, I did not start until six minutes after ten o'clock and it is not yet 10.13.

The Acting Speaker (Mr. Rinfret): The allotted time for hon. members during the adjournment debate is seven minutes.

Mr. Alkenbrack: With due respect, Mr. Speaker, I have not yet spoken for seven minutes.

The Acting Speaker (Mr. Rinfret): I regret to inform the hon. member that he has spoken for seven minutes.

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the implication in the hon. member's question is that small producers are now suffering hardship as a result of the minimum quota policy of the Canadian Dairy Commission for the current year ending next March 31 is of course completely wrong. In fact, quite the reverse is the case. When the commission established the principle of limiting the total amount of subsidies to the requirements of the domestic market, and giving each shipper a subsidy quota for the amount of manufacturing milk or cream which he delivered last year, it made one very significant exception. The exception was that if a shipper delivered less than the equivalent of 50,000 pounds of 3.5 per cent milk last year, he was given a subsidy quota of 50,000 pounds for this year. This meant that if a shipper delivered, say, 10,000 pounds last year, he could get a subsidy on deliveries of up to 50,000 pounds this year. This can hardly be regarded as discriminating against the small shipper.

Presumably what the hon. member had in mind in his question was the statement of the Canadian Dairy Commission on April 14 last that it proposed not to issue quotas in 1968-69 to producers who delivered less than 50,000 pounds of milk in 1967-68.

In answer to his question I can say that representations have been received from farm organizations and from dairy groups with respect to this. I can say also that almost without exception they support the principle that there should be some minimum level of production to qualify for a federal dairy subsidy.

In taking this position they agree with the fundamental point that milk and cream production and subsidies must be related to the needs of the domestic market, and that the available subsidies should be directed to help develop more efficient production units. This of course was the reason why the commission this year gave quotas of 50,000 pounds to those who shipped less than that last year, so that the commission would put no obstacles in their way to reach the minimum volume which it proposed for next year.

There is of course some difference of opinion as to what that minimum quantity should be. The commission itself announced some time ago that the proposed figure of 50,000 pounds of milk would be reviewed with respect to cream shipments. That review is still going on and as soon as possible, after taking into consideration all representations and all the factors involved, a decision will be taken and an announcement made.

HOUSING—MONTREAL—AVAILABILITY OF HABITAT '67 AT EXPO SITE

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on Monday, November 27, I asked the Minister of Labour the following question:

> Since there is a certain shortage of housing in Montreal, and since Habitat '67 is almost completely vacant, will the minister state whether C.M.H.C. intend to take over Habitat '67 or whether they would consider making it available to low and middle income families at least on a part time basis?

In reply to this question the Minister of Labour said that he would have to take it as notice. Under ordinary circumstances I would not have pressed the point further, but since I felt action was required immediately I put the question on the agenda for the adjournment debate.

This month there was an article in the Montreal *Star* written by Charles Lazarus in which he pointed out that out of the 115 completed units at Habitat '67 only 12 to 15 are still rented, and only two of these will be rented for the winter. He also pointed out that while it was originally hoped to rent these apartments after the conclusion of Expo, this proposal was cut back by the government's hope to reduce Expo costs. In his article Mr. Lazarus said:

> The decision announced a few weeks ago by Michael Preston, administrator of Habitat for Expo '67, that the $300 to $715 monthly rent scale would be continued after the exhibition, has been suspended pending further action to place the project under the jurisdiction of the Central Mortgage and Housing Corporation.
>
> If and when that happens, it is expected that the range of rents will be considerably lower than the $300-$715 scale.

Then Mr. Michael Preston was quoted as saying:

> The problem . . . is that we cannot negotiate leases since we are waiting for some specific decision by the federal government, which is taking over the project.

It is my proposal that Central Mortgage and Housing Corporation take over Habitat as quickly as possible and make it available to medium and low income families, especially those families which have been displaced by renewal projects in Little Burgundy, Lower Westmount and elsewhere. Many of these families have been put out of their homes to make way for these projects, and I understand are having difficulty finding new homes at similar rentals. If no one is going to use Habitat, I cannot see why it cannot be made available to some of these people as quickly as possible.

If there is going to be action, Mr. Speaker, I think it should be taken very quickly. Rents could be scaled to incomes and to meet the cost of services and upkeep. Once the urban renewal and public housing projects to which I have referred have been completed, these same families could be moved back into them and Habitat used as originally planned.

Some might say that we cannot use a luxury project like Habitat for this sort of thing, or set the rents as low as I propose, but it seems that it is better to get some rent from this project rather than get none at all. Furthermore, Mr. Speaker, we are providing housing for families who are now living in deplorable conditions.

In support of my question the Montreal *Star* in an editorial dated November 29, 1967 had this to say:

> —what use could better reflect the whole spirit of Expo, which gave birth to the project?

Which, Mr. Speaker, is "Man and His World".

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I want to thank the hon. member who has just spoken for having raised this question. It is timely since I realize full well that people have begun asking questions about the future of Habitat, which played such a useful part during Expo '67.

I am sure the hon. member will be interested to know that negotiations are proceeding now with representatives of the city of Montreal, the province of Quebec and the federal government for the disposition of certain Expo assets, including Habitat. These negotiations should be completed very shortly, and it is quite possible—I will not say probable, but it is certainly possible—that Central Mortgage and Housing Corporation may become responsible for the administration of Habitat '67. If this is the case, it would be the intention of the corporation to make Habitat available for rental, but I am afraid, that having regard to the very substantial investment and also to the expenditures involved in winterizing such units as are not now occupied, they are likely to become available at a high quality rent rather than a rent which would fit in with incomes of people in the lower or middle income brackets.

The three levels of government have very substantial investments in Expo '67 and it was the hope that certain of the facilities provided would be disposed of, or put to reasonable economic use. That therefore should be the objective of C.M.H.C. were that body, as may well be the case, to take over this operation.

Motion agreed to and the house adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, December 1, 1967

The house met at 11 a.m.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENTS TO CLARIFY BOARD POWERS, PROVIDE FOR APPEAL DIVISION, ETC.

Hon. Allan J. MacEachen (for the Minister of Labour) 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 Industrial Relations and Disputes Investigation Act to clarify certain powers of the board; to provide for the appointment of two vice chairmen in lieu of one; to provide for an appeal division of the board; and to provide further for certain changes in connection with the administration of the act.

Motion agreed to.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

Hon. Allan J. MacEachen (for the 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 respecting divorce, the grounds therefor, the jurisdiction of the courts, and for the appointment of certain persons qualified to sit and act as judges and for their remuneration while so acting and for certain other provisions in connection with the administration of the act.

Motion agreed to.

FINANCE

REQUEST FOR DETAILS OF PROPOSED REDUCTIONS IN ESTIMATES

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Finance. On November 15, as recorded at page 4305 of *Hansard*, I asked the following question:

Can the minister advise the house when he expects to announce the reduction in the spending estimates for 1967-68 which he has said he intends to make?

The minister replied as follows:

Mr. Speaker, I will be making a statement both about the spending in this fiscal year and our plans for next year when I make the statement I promised to make in the house when I bring down my supplementary financial measures.

Since the minister did not make such a statement or give this information when he made his financial statement last night, I would ask whether he would make it available to members of parliament before Monday so that when the budget debate begins we can proceed in a useful manner having this very important information before us.

Hon. Mitchell Sharp (Minister of Finance) Mr. Speaker, in my financial statement yesterday I made this statement, as reported at page 4903 of *Hansard:*

My colleague the President of the Treasury Board, who is in charge of this expenditure control program, will speak in the budget debate next week and give the house some of the detailed decisions on these cuts.

Mr. Hees: A supplementary question. In view of the fact that the budget debate is not particularly useful unless all the information that hon. members require to deal with it in a sensible fashion is available to them, and as the Minister of National Revenue may not speak until well on in the debate, would the minister consider my request to make this vitally important information available before the debate starts on Monday?

Mr. Sharp: Mr. Speaker, this is the responsibility of the President of the Treasury Board, and I think he should make the statement.

RECOMMENDATIONS BY TAXATION COMMISSION RESPECTING DEPLETION ALLOWANCES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I wish to direct a question to the Minister of Finance. On November 23, as recorded at page 4603 of *Hansard*, I put a question to him as follows:

I have a question for the Minister of Finance. A few days ago the minister indicated that he intended to make an interim statement with reference to the extractive industries, petroleum and mining, in connection with the Carter commission report.

Will he be making that statement now? He said he would be making it on his budget. I listened very attentively last night, like other hon. members, and I ask will he now be making that statement since he failed to make it in his budget report last night.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, all I intend to say at the present time about tax reform I said in my budget message yesterday.

Mr. Woolliams: As a supplementary question, is it the intention of the Minister of Finance to make any statement in the near future in reference to depletion allowances and special concessions under the Income Tax Act in connection with those industries?

Mr. Sharp: Not at the present time, Mr. Speaker. When the government presents its proposals dealing with tax reform our intentions will then be revealed, but I have nothing to add to what I said in my statement last night.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the government house leader. Would he consider adjourning the house this afternoon so we can all attend the funeral of the late Carter report?

Mr. Speaker: The hon. member for Halifax (Mr. Forrestall).

Mr. Forrestall: Mr. Speaker, I am sorry I won't be able to attend.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs regarding the situation in Cyprus. I would ask the minister whether he can acquaint the house with the terms and conditions under which a settlement is being sought in that area and what response has been received from the three governments most intimately affected, namely the governments of Greece, Turkey and Cyprus.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as I indicated the other day, until final agreement has been reached I do not think it is possible to discuss the terms of the settlement. But it must be evident that these include the position of forces on the island other than the forces supplied by the United Nations. The tension on the island has very considerably decreased. I continue to be hopeful for an early agreement in principle which will solve the immediate issue. This has to do with the withdrawal of forces other than those of the United Nations. However, there are at this moment certain problems which are still to be overcome at the United Nations and elsewhere to which the Secretary General a few moments ago advised me he is addressing himself in consultation with the countries concerned.

Mr. Douglas: As a supplementary question, in view of the fact that some time this month the United Nations will be discussing the renewal of the mandate in Cyprus, is the Canadian government insisting that in such a renewed mandate the commander of the United Nations forces will have sufficient forces to police the situation and prevent the build-up of military forces in contravention of the terms of the Zurich agreement?

Mr. Martin (Essex East): This will certainly be an aspect of the approach that we will be taking. I should point out to my hon. friend that the establishment of a United Nations force is something that depends not only on the action taken by the security council but on agreement made pursuant to the decision of the security council with the country on whose territory the force operates. I can assure my hon. friend that this question is very much in our minds.

CANADIAN BROADCASTING CORPORATION

POSSIBLE DISCONTINUANCE OF INTERNATIONAL SERVICES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. It is a follow up to questions asked yesterday which the minister said he would take under advisement, concerning the decision of the government to abolish the foreign service of the C.B.C. I sense a real concern on the part of many people who feel the C.B.C. has done a commendable job in this regard, and I wonder whether the minister has a statement he can make to the house today.

Hon. Paul Martin (Secretary of State for External Affairs): I cannot add anything to what I said yesterday, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): As a supplementary question, Mr. Speaker, may I ask the Secretary of State for External Affairs whether in dealing with this matter the government would not consider it appropriate in the interests of economy to prune on top the branches rather than cut down the whole tree?

Mr. Martin (Essex East): No one ever disagrees with a generality.

Some hon. Members: Oh, oh.

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

CANADIAN NATIONAL RAILWAYS

FURTHER LAY-OFFS IN INVESTIGATIVE AND SECURITY SECTIONS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, I have a question I wanted to direct to the Minister of Transport, but in his absence I shall direct it to the Acting Prime Minister. Can he advise the house of the extent of the further lay-offs during the last day or two in the investigative and security sections of the C.N.R.?

Hon. Paul Martin (Secretary of State for External Affairs): I will be very glad to look into that, Mr. Speaker.

EXTERNAL AFFAIRS

BURMA—DETENTION OF CANADIANS IN JAIL

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Acting Prime Minister in his capacity as Secretary of State for External Affairs if he can inform the house what is the position of the two Canadians, to whom reference has been made previously, who were imprisoned and held incommunicado for some months in Rangoon. I understand they are coming up for sentence today. What is the actual position, and what is the hon. gentleman's department doing to protect their interests?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my information is that they have had their trial and that they were sentenced yesterday. I may be wrong, but I think they were sentenced to something like eight or nine months. I have sent instructions to our ambassador for a full report. He has seen the prisoners and will be reporting to me later today, and if I have the information before the end of the day I will advise my hon. friend. We have already been in touch with the parents.

Mr. Fulton: Will the hon. minister consider using his undoubted good offices with the Secretary General of the United Nations, U Thant, with whom the hon. gentleman is on very good terms, to see whether he can exert some influence in respect of the protection of these Canadians.

Mr. Martin (Essex East): I am sure my hon. friend, who has had considerable experience in the administration of justice, will recognize that there is a limitation in respect of the right of a country to interfere in the administration of justice in another country unless there are some special circumstances. We are now examining those special circumstances.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State for External Affairs. Were the parties in question properly represented by counsel, so their rights were put properly before the court in question?

Mr. Martin (Essex East): Whether they were properly represented I cannot say, but they were represented by counsel. The Canadian government is interested in this aspect of the case. If my hon. friend had been in Burma I would have utilized his services.

Mr. G. D. Clancy (Yorkton): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether there is not a rule that you do not serve a sentence in a mixed jail.

Mr. Martin (Essex East): I will have to give that question consideration.

Mr. Clancy: I have a supplementary request, Mr. Speaker. Answer the question.

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

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs on the same subject. Where is our Canadian ambassador stationed who has been in touch with the two Canadians who have been imprisoned, and why were we dependent upon the British high commissioner in Malaysia for information with

regard to these two gentlemen? Have we not extracted ourselves from our colonial period?

Mr. Martin (Essex East): I do not know of any country that has moved away as quickly and as solidly from colonial status as has Canada. I am surprised that so distinguished a parliamentarian and historian of our affairs would put that kind of a question. Our high commissioner in Malaysia is accredited as ambassador in Burma. He is not normally resident in Burma but, as I said in the house three days ago when my hon. friend was absorbed elsewhere, he went to Burma to deal with this matter.

CANADIAN PACIFIC RAILWAY

PROTEST RESPECTING LAY-OFFS OF SHOP WORKERS

On the orders of the day:

Mr. Norman Fawcett (Nickel Belt): Mr. Speaker, I have a question for the Minister of Labour. I regret that I did not have time to give him notice. Has the minister received a protest from approximately 4,400 shop men employed at the Canadian Pacific Railway's Angus, Weston and Ogden shops regarding a notification from the C.P.R. that they will be temporarily laid off for the period December 22 to January 2? If the minister has received such a protest, does he intend to intervene?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, this matter has not been drawn to my personal attention. I might say that I have been tied up continuously since early this morning on another matter, but I will inquire.

AIR CANADA

MONTREAL—APPOINTMENT OF INDUSTRIAL INQUIRY COMMISSION

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Labour. I wish to ask him whether he has received a request from the national association of machinists urging that the minister appoint an industrial inquiry commission to investigate the dispute with Air Canada in Montreal. If so, will the minister be appointing such a commission?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, is the hon. gentleman inquiring about an industrial inquiry commission or a conciliation board?

Mr. Orlikow: My question referred to an industrial inquiry commission.

[Mr. Churchill.]

Mr. Nicholson: I will have to take the question as notice, Mr. Speaker.

[*Translation*]

CRIMINAL CODE

INQUIRY AS TO AMENDMENTS RESPECTING DIVORCE AND ABORTION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to put a question to the Minister of Justice.

In view of the fact that he has stated several times that he would introduce a comprehensive bill to amend the Criminal Code, particularly as far as divorce and possibly abortion are concerned, could he inform the house whether he intends to introduce separate bills on divorce and on abortion so as to enable each member to express his opinions freely on these important questions.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the bill on divorce will be a separate bill. In fact, if the member refers to the current orders of the day, he will find that the notice of motion is being published.

As for the other questions concerning the Criminal Code, they will be included in a comprehensive bill, an omnibus bill which I think will be introduced very shortly.

[*English*]

MR. JUSTICE LANDREVILLE

INQUIRY AS TO ACTION BY CABINET

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, while I realize that this period is generally for the opposition, when I asked a question of a member of the cabinet in private he answered by suggesting that I ask it in the House of Commons. I thought you might like to know that. I have a question for the Minister of Justice, who is not the member to whom I referred. I should like to ask him whether the cabinet has taken any action whatsoever with regard to the Leo Landreville matter, which is of some concern to many people in this country.

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the cabinet has not taken action to grant a pension to Judge Landreville.

[*English*]

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO FURTHER LEGISLATION AND AVAILABLE FUNDS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I should like to direct this question, particularly this week, to the Minister of National Health and Welfare in his capacity as the man in charge of the Atlantic Development Board. In view of meetings of this board held in Ottawa early this week, and the slight degree of optimism on the part of the Minister of Finance in his budget speech last night about future expenditures there, can the minister say whether there will be any new plans or legislation announced in the near future? If so, what will they be?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker, I am not in a position to announce any new legislation at the present time.

Mr. Bell (Saint John-Albert): Is the minister hopeful that we can do something to straighten out our problems there?

Mr. Speaker: Order, please.

Mr. H. Russell MacEwan (Pictou): May I ask the minister whether the report is correct that there will be no cut-back in the funds available to the Atlantic Development Board?

Mr. MacEachen: Mr. Speaker, the Atlantic Development Board has had considerable resources at its disposal. We expect that in the next year it will have considerable resources to assist the economy of the Atlantic provinces.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REVIEW OF CANADA-U.S. AGREEMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to address a question to the Minister of Industry. In view of the fact that the United States-Canada auto agreement must be reviewed by the two governments concerned before the end of this month, has the review begun and, if not, what is the reason for the delay?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the review is to commence very shortly in Washington.

Inquiries of the Ministry

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker, to the Minister of Industry. Do I take it that the United States authorities have now agreed to meet with their Canadian counterparts and conduct this review, and that this is something that had not happened two weeks ago?

Mr. Drury: Yes, Mr. Speaker. It did not happen two weeks ago because I think the difficulty was in arranging a suitable date rather than any other reason.

Mr. Douglas: A supplementary question, Mr. Speaker. I would ask the minister when it is anticipated that this review will be completed; and will the results of the review be made public?

Mr. Drury: We hope to complete the review some time early in the new year. The results will of course be made public.

COPPER—REQUEST FOR REPORT ON PRICE INCREASES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Finance. Last week when Noranda Mines announced an increase of 4 cents a pound in the price of copper the minister answered a question on this matter and promised to look into the increase. The other day International Nickel announced a similar increase. I wonder whether the minister has looked into this matter and has anything to report to the house.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I answered a similar question asked by the hon. member for Burnaby-Coquitlam and said the Minister of Trade and Commerce and I were both looking into all these increases.

WINTER WORKS

POSSIBLE SLOWING DOWN OF MUNICIPAL PROJECTS IN COMING YEAR

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday when referring to various cut-backs proposed by the government the minister let it be known that the expenditures of municipalities had not slowed down in the past ten years. Is it the intention of the minister to apply this austerity program to the extent of also slowing

down winter works projects in the municipalities for the coming year?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, any announcements about the winter works program will be made by the appropriate minister.

SHIPBUILDING

REQUEST FOR ASSISTANCE TO BRITISH COLUMBIA SHIPYARDS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Industry. In view of the critical situation in our shipyards on the west coast, particularly in the Victoria area where employment has dropped from 2,700 to 700 in the last five years, is the minister considering any measures to assist this industry?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as I think the hon. gentleman is aware, a scheme of transitional arrangements in respect of the west coast shipyards was agreed upon some two years ago between the federal government and the ship construction industry. This program is continuing.

Mr. Chatterton: A supplementary question, Mr. Speaker. Is the minister pursuing every angle with regard to the costsharing program with the United States to have some United States ships built in the shipyards of British Columbia?

Mr. Drury: Yes, we are pursuing this actively. I think the hon. gentleman will be aware that there is some reluctance on the part of the government of the United States to have contracts carried out in Canadian shipyards for the construction of ships to be owned by the United States government.

FINANCE

INQUIRY AS TO RESULTS OF RECENT BOND ISSUE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, on November 10, I asked the Minister of Finance whether he could inform the house how successful the Canada savings bond campaign had been in comparison with former years, and particularly how much new money he estimated would come in from this source. He stated he would give that information when he presented his supplementary budget. As he did not do so last night I wonder whether he will do so now.

[Mr. Langlois (Mégantic).]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I regret that I overlooked this request when I was preparing my budget statement. A public statement has been made about this, though perhaps it does not answer all the questions asked by my hon. friend. I will look into the matter to see whether I can give him a full statement.

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I could direct a question to the Minister of Finance. In his search for income I wonder whether he would consider minting next year, for collectors' purposes, a silver dollar?

Mr. Speaker: Order, please. I doubt whether the question is very urgent. It should be placed on the order paper.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Finance. Would he consider striking a wooden nickel to commemorate his centennial budget?

Some hon. Members: Oh, oh.

Mr. Sharp: If it would give us any additional revenue, I think I would.

INQUIRY AS TO IMPOSITION OF TAX ON CAPITAL GAINS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Finance and ask whether in his search for additional federal revenue serious consideration is being given to the institution of a capital gains tax, as this unearned increment is not yet taxable in Canada.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the capital gains tax, like all other proposed taxes, is under consideration in connection with tax reforms. I should just like to add, because there may be some misunderstanding about it, that even if a capital gains tax were to be introduced it would not produce appreciable revenues for some time to come.

HOUSING

REQUEST FOR COMMITTEE CONSIDERATION OF CONFERENCE WORKING PAPERS

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Labour in charge of housing. In view of the refusal of the government to allow members

of parliament to be delegates or observers at the forthcoming federal-provincial conference on housing and urban development, and in view of the tabling of the working papers by the minister last Friday, would the minister consider referring those working papers to the standing committee on housing and urban development for study and report?

Hon. J. R. Nicholson (Minister of Labour): In the first place, Mr. Speaker, I take exception to the statement by the hon. member. There has been no indication by the government that members of parliament would not be permitted to attend this conference as observers. No such decision has yet been made. The Acting Prime Minister has asked the provincial governments whether they would be prepared to open at least part of this conference so that members of parliament could attend as observers and we are awaiting their replies.

With regard to the second part of the question, the answer is that we are not disposed to refer the matter to a committee of the house at least until after the meeting on December 11, which after all is only a little over a week away.

HOUSE OF COMMONS

REQUEST FOR COMMITTEE CONSIDERATION OF BILL RESPECTING QUORUM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare in his capacity as government house leader. In view of what happens sometimes when there are not many members in the house, would the minister consider asking the house to refer to the special committee on procedure, perhaps at five o'clock today, the subject matter of my bill calling for a larger quorum?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Knowles: Then be it on your own head.

NATIONAL MUSEUMS

MEASURE TO ESTABLISH CORPORATION FOR ADMINISTRATION

The house resumed, from Thursday, November 30, consideration of the motion of Miss LaMarsh for the second reading of Bill No. S-2, to establish a corporation for the administration of the national museums of Canada.

Mr. Frank Howard (Skeena): Mr. Speaker, last evening I mentioned there was a totem pole restoration program in existence in British Columbia, and I thought it might be an appropriate opportunity for the federal government, through the corporation or through one of the museums under federal government authority, to participate in that restoration program and in effect establish a sort of museum on site, the site being the location of the original totems of various tribes on the west coast.

The contribution made to art by the west coast tribes has been tremendous and prolific. Unfortunately a great many of the works of art of the people of the west coast have found their way into collections and museums in other parts of the world. In fact I heard that a few years ago the national museum spent some $40,000, though I am not quite certain this is the exact figure, to purchase a collection of masks and other carvings which were the property of Lord Blossom.

This year the Vancouver Art Gallery exhibited a collection of works of art of the west coast tribes as a centennial project. It is as beautiful a collection as I have ever seen assembled in Canada. However, in order to assemble the works for this particular showing it was necessary for those who contributed to it, and particularly for Bill Reid who is an artist of high quality especially in gold and silver carvings, to travel quite extensively to museums in the United States in order to ask permission to get back for the purpose of that particular showing some of the works that these museums had lent. As I said, I think it was one of the finest collections that has ever been seen in Canada.

The works of a very prolific and highly gifted artist of the Haida people, Charles Edenshaw, were also there. They were indescribably beautiful carvings in black and red on silver, bone and wood. I was there the day the late Charles Edenshaw's daughter, Mrs. Emily White—a grand, elderly lady now—came down from Grimshaw to see the works of her father assembled and on display. Everyone who went through the art gallery in Vancouver this year was amazed at the beauty of the totem collection there.

The point I have been trying to make is that on many occasions in the past not too

great an interest has been shown in preserving or retaining the works of art of the west coast Indian tribes, and as a consequence they have found their way into other hands and into other collections and museums all over the world. Perhaps there will be no further opportunity to collect the materials and the works of art of the past because most of them have either been placed in museums, have been allowed to rot on the site, or have been lost.

However, in the last couple of years a group of anthropologists and archaeologists working under the national museum have visited certain areas on the west coast together with some officials of the provincial government, to search through and dig amongst the sites of the villages which existed in those areas in the past in an attempt to discover in greater detail some of the history of our native tribes. I think this might be a function of the museums which could be expanded.

There are a few provisions in the bill before us on which I would like some clarification. First of all I should like to know whether it will be permissible under the act for the museums to loan their works of art to local community museums or to provincial museums. I should also like to ask whether provision would be made under the bill for travelling exhibits. Both these measures would meet with approval because, particularly in this centennial year, increased interest has been shown in the establishment of museums as centennial projects.

A number of these have been opened in my area, and a couple of them which were previously in existence have concentrated to a large degree upon the collection and display of native Indian art objects. I think it would be of tremendous value if in addition to any of the collections and exhibits they now have, they could borrow from time to time some particularly fine works of art to display to the people who visit these areas and who may not have an opportunity to visit any of the national museums or see any of the travelling exhibits.

There is a provision in the bill which states that the Surplus Crown Assets Act shall not apply to the corporation. I assume this means it will not be possible for the museums to declare as surplus any of the exhibits they have, and thus they will not be able to dispose of them through the Crown Assets Disposal Corporation. If my impression is correct I think this is a commendable feature of the bill.

[Mr. Howard.]

• (11:40 a.m.)

However, there is a provision in the bill which permits the disposal of objects in collections by sale, exchange or gift. I think the opportunity provided for this body to give away objects that a museum may have in its possession, even though there is a the saving feature that this should only be done when in opinion of the directors of the museum the objects have no further use or value, needs some clarification. Unless there is some balancing provision this might be an awkward feature to include in a bill of this nature, or an awkward authority to give the directors of the museum.

With those remarks, Mr. Speaker, I will close and look forward to the minister dealing with these items in her closing remarks or perhaps at some stage in the committee consideration of the bill.

Mr. S. J. Enns (Portage-Neepawa): I rise, Mr. Speaker, to say a few words in support of the plea of the hon. member for Carleton that this bill go to committee. I know the minister has already declined this request, but I feel it would have been useful to hear from the directors presently involved in the administration of the several museums this bill seeks to incorporate, and to have their very learned reaction to the principle of the bill. As you know, Mr. Speaker, we are not able to call upon this expertise when we are dealing with a measure in the house. It was the late John F. Kennedy who said that of those to whom much is given, much is required. In our time, not only in our centennial year but within our time in history, a great deal has been given to our people. There has been an accumulation of a great deal of history in the arts and sciences that is well worth preserving.

Though in our centennial year we have not been able to achieve the establishment of a national museum building, which I am sure all members deplore along with the minister, I am confident that in the not too distant future there will be a fine museum which will be a credit to our country. I am worried, however, that when the high court of history sits in judgment on us with regard to the way in which during our brief span of history we have fulfilled our responsibilities to the nation, this measure may not be regarded as fulfilling those responsibilities for building and housing in a museum those things that need to be preserved.

After all, in our short span of existence as a country we have seen the change from the

horse and buggy to the automobile, and then to travel in the space age. We have seen the disappearance of steam power, the development of electrical energy and now nuclear energy. We have witnessed wave after wave of immigration which has added to the multicultural basis of our nation about which we like to boast. We have seen the slow flowering of the arts and sciences, and witnessed the halting advance of democracy in social concerns.

Somewhere these developments should be adequately recorded so that future generations may come to see them. I am just wondering whether the manner in which we are dealing with this very important question, namely by incorporating these museums under one crown corporation, will achieve those things we desire to achieve through this bill. My question simply is, would the minister reconsider the request to send this measure to a committee?

Mr. E. Nasserden (Rosthern): I have only a few remarks to make at this time. I wish to take advantage of the opportunity to urge the minister and the government to give more assistance to the local museums that we have around the country. I have one or two in mind which I know are doing a very good job, and the assistance they receive from the government of Canada or from provincial governments is very limited. I think, for instance, of what is taking place at Duck Lake and the work that was undertaken by Fred Anderson over a period of years in gathering together many relics from the days of the rebellion in the area around Batoche, Duck Lake, St. Laurent and Fish Creek. The needs of this museum are very limited and lie mainly in the area of cabinets and cases, with a little assistance in the care of the building in which these relics are housed. I know that the mayor of Duck Lake, Charles Boyer, has done everything he can to assist this museum. The interest in it reaches beyond the confines of that immediate area. Relics from the old days have been gathered from people right across the country, and even in the United States.

There is also the matter referred to by the hon. member for Portage-Neepawa, the multi-racial culture of our nation. Some of the ethnic groups are trying to establish museums so that people in the future may be able to chart some of the contributions they have made to our nation. It is my belief that in this area as well there is room for a little more assistance than has been available from the federal or provincial governments.

The museum and the gallery in Ottawa are controversial matters. Yesterday I asked the minister what she meant when she referred to cultivated people. I note that in *Hansard* the reference is to cultured people. When you go through this museum you wonder whether it is really charting the course that Canadians have taken in their history. Perhaps I do not fall into the privileged group referred to by the minister, but I cannot help but feel that the emphasis in this gallery seems to be on the decline of those values held by the pioneers of this nation. I do not pretend to be an art critic, but I know many people in this country simply cannot understand some of the pictures in the gallery. They wonder why they are there and why we spend thousands and thousands of dollars on them.

This is one of the things which those in charge of the gallery should be looking at and assessing. They should be wondering whether they are encouraging the right type of art in this country. Some people think they have to follow along with what is being produced today. I believe the gallery should afford something in the way of leadership to guide people along those paths that will be of benefit to our nation in the years ahead.

I should like to add my words to those of other hon. members who believe this whole matter should go before a committee in order that all of us may learn a little more. Perhaps if we learned more about the operations of these various departments, if one may call them that, we would understand them better. In the meantime I can assure the minister that I find it difficult to understand some of the expenditures that have been made.

• (11:50 a.m.)

Mr. J. M. Forrestall (Halifax): Mr. Speaker, like the previous speakers I shall try to be brief in my remarks on this bill. I support the plea the hon. member for Carleton made last night. I thought his point was well taken. I support it, not because the other place may not have reviewed this matter in sufficient depth but because there are areas of concern in the broad concept of this bill that ought to be properly aired. We ought to do something to make our great paintings, sculptures and other works of art more readily available to all our people. For that reason I join with the hon. member for Carleton and others who have urged the minister to refer this bill to a committee of this house, or to a joint committee, for further consideration.

Mainly I want to say this. I shall propose an amendment to the bill. Though it is a slight amendment it will, if adopted, enable our youth to benefit more than they now benefit from the art objects we have collected and that we shall collect as the years go by. Our universities at the present time are embarked on the greatest expansion in our country's history. That expansion has not yet ended. Our universities are erecting wonderful, fireproof, air conditioned and sprinkler protected buildings, and perhaps we are missing a good bet by not using these buildings for art shows.

That has been proposed but not spelled out in detail. The clause that gives the corporation authority to sponsor and assist travelling shows is good, but vague. I should like the bill to say specifically that the major universities of our country may be regarded as museums of Canada. Perhaps that provision might be narrowed to refer to the libraries that are being built on our campuses.

Hon. members may have noticed that in the last three or four years wonderful new libraries have been built on our campuses, and these libraries have ample space at their entrances to accommodate art shows. The buildings are fireproof, and almost always security guards are present. If we want our young people to be exposed to art I suggest that by using the libraries on campuses for art shows we could bring about that result.

A major obstacle in the past to such art shows has been cost. Most universities from time to time hold an art show, usually somebody's collection, but most universities have not had the money to keep changing their art shows. As I say, most of them have neither the finances nor an adequate security staff for this. Perhaps if there were precise authority for this in the bill our major universities might have revolving art shows; the shows might be changed every six months, say, or once a year, and our undergraduates passing through university would have an opportunity to be exposed once or twice a year, throughout their university careers, to many art treasures. Throughout a university career an undergraduate might see 200 or 300 art treasures. The universities have the space for these shows, and that space is not being used except occasionally.

Unless our young people go out of their way in places like Ottawa to see art treasures, or unless they see the odd travelling art show, they have little opportunity to be exposed to our culture. They do not see what Canadian talent has produced in the past or what the talented artists of this world have produced over the last 1,000 years. That is wrong. Understandably in the past, because libraries in universities were not fireproof or as well protected as they are today, the authorities in Ottawa felt reluctant about letting art treasures leave the vaults of Ottawa. Now, with more modern buildings on our campuses, buildings that are well protected against fire and other risks, perhaps consideration might be given to releasing art treasures to be shown in them. I commend that course of action to the minister. I should like to see in this country the best art museums in the world. I hope the minister will give consideration to my suggestion and incorporate the appropriate wording in the bill.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I listened with interest to the minister last evening, and I agree with many of her remarks. She said we were experiencing a renaissance in the field of museums and art galleries in Canada. I agree with that. I am sure that all across this country federal participation in centennial projects, especially projects under which art galleries and museums have been erected, has been appreciated. That participation has been a factor in the renaissance. I congratulate the national gallery and its director, through the minister, for the two outstanding centennial exhibitions.

Some hon. Members: Hear, hear.

Mr. Johnston: The 300 years of Canadian art exhibition in itself was an education for any Canadians seeing it. Equally good is the present exhibition, which blends Canadian history and artistic development. I commend it to any member who has not been to the gallery to see it.

• (12 noon)

At the same time, Mr. Speaker, I cannot quite understand the provision in the bill that places all the museums and the national gallery in the charge of one over-all organization. The minister stated last night that this move would save money. I doubt that very much. If any change is to be made in relation to art or the national gallery or the museum, then saving money should be the last consideration. If we wanted to save money at the expense of a very important area of our national development then we would not have a gallery, and we would likely not have some of the museums either. The gallery will cost money, and I anticipate that if we want to continue our development

it will cost us even more money. The problem is really one of education and enthusiastic salesmanship to justify a most important expenditure in the development of the country.

I was wandering whether the minister was not overly impressed by the United States pavilion at Expo, which managed to combine in a very light-hearted fashion the most recent developments in science along with some of the most recent, if startling, developments in art. The problem is that we are moving into an era of austerity, the end of which is not yet in sight. It is an era of austerity of which we were fully reminded last night when we listened to the Minister of Finance presenting his budget to the house.

I suggest that if the visitors from the United States to the U.S. pavilion at Expo had been polled on their view as to which exhibits in time of austerity should be cut out, as between the scientific displays and the displays of modern art, there would be no doubt in anybody's mind what the answer would be and which exhibits in the pavilion would first fall victim to any austerity drive.

The hon. member for Rosthern raised a most important point, but I would not for a moment agree with what he said. I would not accept the hon. member for Rosthern as an art critic for a single minute. However, he did point out that when it comes to art there is a great divergence of opinion. We do accept the possibility of there being bad art. However, we do not accept the possibility of bad science; there is no such thing at the moment. All scientific endeavour as such is sacred and good and we can justify almost any expense if it is based on scientific advance.

Therefore, Mr. Speaker, when one reads the bill and finds that the credit balances in the national gallery purchase account are going to be moved over to the national museum's purchase account, one wonders how the division is going to be made between the conflicting demands of art through the gallery and those of science through the science museum or the museum of natural history or any of the projected museums of the future. Certainly great expenditure will be required over the next few years to construct several new national museums. However, as I say, how do you arbitrate the conflicting claims of the national gallery and the national museum? It may be that the minister would like the budget of the national gallery to be buried in the budget for science and for museums so the public could no longer distinguish between the funds allocated to one or the other.

I hope this is not going to be the case, Mr. Speaker, and that such a step would be considered a sort of doctrine of despair. Surely we in Canada can develop an appreciation of art and its place in society. I hope the national gallery will be allowed to exist as a separate entity and to have a separate budget. I hope its value will be fully appreciated, and in the long run I feel this would be the better course.

I do not think the minister gave us sufficient explanation last evening of the thinking that prompts the change proposed by this bill. Other hon. members have pointed out the dangers that are there, and I hope that before the bill is passed the minister will give a further explanation, or that the bill will be referred to a committee. In the latter case we could hear from the director of the national gallery and learn whether she is fully satisfied that this measure will not constrict the developement of that most important part of our culture.

Mr. Robert McCleave (Halifax): Mr. Speaker, I suppose the first thing I should say is that it should be suggested to the hon. member for Rosthern that he grow a beard so he can join that category of art critic just mentioned by the previous speaker.

My purpose in rising is to support the suggestion made by my colleague from Halifax in relation to transporting some of our national treasures to other parts of the country so they can command as wide an audience as possible. We all realize that not everyone has the opportunity to come to Ottawa.

At this point I should like to give the minister full credit for the many activities of our centennial celebrations. I think she truly deserves many times over the applause and thanks of those of us in this house for her efforts. One of the brightest features of our centennial year was the centennial train and the centennial caravans, which attracted audiences of tens of thousands everywhere they went. My colleague suggested making certain exhibits available to the universities of Canada, and this method would be one way of doing this. I think this is a worthwhile idea that should be followed up by the minister and the administrators of the corporation that we are going to establish.

• (12:10 p.m.)

Another possibility that might be considered if funds ever again become available from the government is to use the centennial train and centennial caravan approach so that at selected periods specific segments of artifacts and other exhibits gathered by these museums could be displayed to as many people as possible. If we cannot bring the people to Ottawa to see these treasures, let us take some of them to the people of Canada from time to time.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is the type of bill which I think should not go through the house in just five or ten minutes but on the other hand it should not be very much delayed. The only reason I am speaking on it is a certain experience I had 20 years ago when, as a new and rather brash member of the Manitoba legislature, I drew to the attention of that august assembly the importance of the museum which is situated in the city of Winnipeg. This had satisfactory results. It stirred up interest on the part of the provincial legislators and encouraged those people who were dedicating their efforts to the advancement of the museum.

Similarly now, I do not think it is a bad thing for parliament to indicate that its members have a real interest in the museums of our country and in our national art gallery. We can hastily pass legislation without comment, but if we do that with this legislation those who work in the museums and art gallery cannot be certain whether it is due to a careless indifference on the part of members or whether parliament has an active interest which it has not expressed. By speaking today I would like to display my active interest in our art gallery and museums, as the minister displayed her interest last night. Parliament as a whole, representing the people of this country, will show that interest by our recording in *Hansard* our appreciation of the work of those who have been operating and maintaining our museums and of those who have supported this effort. Over the last 20 years I have seen a great upsurge of interest in the history and records of this country as portrayed in our museums. This is all to the good. It is one of the means by which we establish our Canadian identity.

I was quite impressed with the minister's remarks last night. Her interest in these fields is intense. I was also impressed with

the remarks of my very learned and distinguished colleague from Carleton, who drew attention to the exciting history of Canada, a history which I fully agree is exciting. The more we bring it to the attention of our young people the better it will be for Canada as a whole. This has happened during the last few years, and particularly during centennial year. One of the finest things to emerge from centennial year is the interest across Canada, in small places and in large, in Canada's wonderful history.

I recall my own keen interest as a student and young man in museums. I recall my first visit to the great city of Toronto many years ago. The first place I visited there was the museum. I was more than impressed and my knowledge of the world was enlarged by the exhibitions there. I have always had an interest in these matters and I express that interest today.

With regard to the bill I entertain some doubts that this is the best method of going about the work of the art gallery and the museums. As members have said, there is a sharp difference between an art gallery and a museum. A museum shows things from the past and the record of past events. It displays scientific and archaeological records. An art gallery has a different approach and a different appeal.

I am one of those who can appreciate a painting by Constable, but for the life of me I cannot understand some of the modern art which is placed before my eyes. So I cannot be a judge. I do not feel I am capable of making a judgment with regard to art other than that I like something and dislike something else.

I think that bringing the art gallery and the museums under the terms of one bill may be a mistake. If it is being done just for financial reasons then I think members were justified in asking for the bill to be referred to a committee prior to passage in order to determine whether or not this is wise. However, I understand the minister prefers not to do that. Consequently we will have to get on with the bill and hope for the best in the future. In any event these reservations have now been placed before the house.

I think that the general attention to our art galleries and museums is good. As I say, it is right that parliament should pay some attention to them. It is right that we should vote money for these purposes. All we can hope for is that their administration will be effective so that the people of Canada at large

will benefit from these marks of an advanced civilization. It is only the higher civilizations that maintain such records of their histories and traditions. I conclude by saying that I support the bill, with the reservations that have been expressed so clearly by my colleague from Carleton.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I want to say a few brief words on the bill. First of all, I congratulate the minister for introducing it. I think that over all it is good legislation. However, there are one or two points about it which disturb me to some extent. The first concerns clause 13(b) which calls for the establishment of advisory committees consisting of members of the board or persons other than members or both. If permission is to be granted for the establishing of advisory committees, I would prefer that the appointees be separate from the board. I do not like the idea of mixing the two functions.

I recommend to the minister that the appropriate form should be as enacted in section 14 of the act to provide for the establishment of a Canadian Film Development Corporation, passed by this house in February, 1967. That section reads as follows:

> The minister may, on the recommendation of the corporation, appoint an advisory group broadly representative of the professional associations, exhibitors, distributors and unions in the Canadian film industry and including other qualified persons, to advise the corporation on matters which the minister or the corporation may refer to it.

I would suggest that this is a better example of how to go about forming advisory committees.

The other point I wish to bring to the attention of the house is that this bill was the cause of the resignation of the director of the human history section of the national museum, Dr. Richard Glover. I wish to quote briefly from Dr. Glover's statement, published in the Ottawa *Journal* of April 24, 1967. This is part of what he said:

> —the act does not give directors complete charge of the professional business of their museums. Instead, it leaves a new and as yet unappointed board of trustees to make by-laws prescribing what each museum director's authority shall be; and the directors will be able to do only those things which the trustees may see fit to assign to them. All business not so assigned is given to a new officer called a secretary-general. Here the act falls sadly short of the government's professed purpose.
>
> Worse follows. Another clause empowers the board of trustees to appoint consultative committees, which are to be composed "of professional people to advise it," as the Senate was told. I acknowledge that committees may from time to time make useful recommendations on broad general policy; and that directors themselves may sometime welcome the help of advisory committees of their own. But these consultative committees of professional people reporting to the board on professional matters are quite another thing.

• (12:20 p.m.)

> The meaning of this clause, as explained by the government's spokesman in the Senate, is that the trustees may expect professional advice on the museums' programs from two different sources—their consultative committees on the one hand and the museum's own experienced and highly professional staff on the other. But advice from two different sources often differs and the prospects of conflict, friction and unrest which this clause opens up are as obvious as they are deplorable.

When a person of the stature of Dr. Glover resigns on grounds of principle involving what I just read and in addition the fact that the government has cut back on the construction of new museum buildings, I think the matter should be gone into a little more carefully. I do not believe his protestations should be dismissed without some consideration having been given to them. I recognize that there are problems in this regard but I should like to suggest to the minister that this bill be referred to a committee after second reading in order that we may go into some of these aspects.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Bell (Carleton): Does the minister intend to make any comment?

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

On clause 2—*Definitions.*

Mr. Bell (Carleton): Mr. Chairman, on second reading some very serious matters were discussed by a number of members of the house. Surely the committee is entitled now to the courtesy of having from the minister some comment on the matters which have been raised.

Miss LaMarsh: Mr. Chairman, I would be happy to comment on the various matters when we reach the clauses in question. If the hon. member wishes me to comment on the matter of the bill being referred to a committee, I can only say that I have full faith in the members in this chamber being able to give it full study following the study it was given in the other place. The committee which normally would be asked to study it, if it were referred, would be the committee on

broadcasting, films and assistance to the arts. At the moment that committee is dealing with the broadcasting bill which it is hoped will be reported back to the house before the end of the month. It also has to deal with the matter of e.t.v. which has just been referred to it. It certainly appears that that committee will have plenty of work at least until the end of this session. That was one of the considerations in having this bill go before the banking committee in the other place for study in the first instance.

I should like to thank hon. members in a general way for the remarks they have made with regard to the personnel of the museums. I forgot to say that all are now Canadian citizens.

Mr. Herridge: Good.

Miss LaMarsh: All the directors have recently been appointed. Dr. Boggs is the director of the National Gallery. I believe she has brought a really new spirit of excitement to the gallery and to its work. She was appointed within the past two years. Dr. Banfield was appointed in February, 1964. Dr. Taylor was appointed this year and Dr. Baird was appointed in October, 1966. All these people are young, vigorous and interested in their work. They are highly qualified specialists. The interesting thing is that these people are civil servants. They are appointed under that act and are not at the moment in the capacity of some of our appointees as public servants. That has been one of the criticisms often made of the situation in the past. Of course, it leads to a problem when one is looking for the very best persons to appoint to the various directorships.

I believe Canada can rejoice in the fact that, as it so happened, within a year or so before centennial year these exciting and vigorous young personalities were taken on as directors of our national museums. Indeed they are national museums. If hon. members will look at the terms of the bill and think for a moment of museums as they know them, such as the museum of natural history, the museum of natural science and a museum which now is included along with the others, the new air museum, and then look at them from the point of view of what we understand as a classical art gallery, they will find that the words apply in each case and that while many people think of the galleries as being separate they are in fact not. As a matter of fact the association of directors of galleries is known as the association of museum directors. As you know, some of the great museums of the world, including the one in Montreal, are known as museums of art and not galleries of art. This is because they are in fact collections of treasures.

It may cost the better part of $1 million to collect a treasure for the art museum and perhaps only $10,000 to collect an old railway car for the science museum. Yet some of the exhibits in the science museum are unique, irreplaceable and without any limit to their value. I think the concern of people who are particularly interested in one or the other of the museums, including the galleries, is that if you put them all together and have one general account either the science people, the art gallery people or somebody else will get more money. This has been very prominent concern of the directors as well. However, in each case the directors will run their institution and will prepare their budgets every year. These will be put together as a whole budget and the money parliament votes will be distributed in the amounts budgeted for. While this is something which should be watched it has not been contemplated, nor should members be concerned, that the directors will not be very alert to the fact that their portion of the money in the non-lapsing fund is there for their expenditure.

I should like particularly to thank the hon. member for Skeena for telling the chamber about the reconstruction of the west coast Haida totems and for his very interesting suggestion of making an on site museum. I had not appreciated that this was taking place in some parts of British Columbia. Indeed, I had thought that perhaps the only permanent record we would have of totems in their place would be the paintings of Emily Carr. Certainly this is a most interesting thought which I will be happy to pass on to the appropriate officials and even the Department of Indian Affairs and Northern Development which is responsible for historic sites. I had never heard of any other place in North America where there still are totems in their original position which can be restored and viewed. I think that this is a national heritage which we should have for a long time in the future.

I should like also to comment on the "Arts of the Raven" show which was mentioned. My own personal opinion, for what it is worth, is that this is one of the most superb shows I have ever seen. Anyone who missed it in Vancouver this year in its four or five month run really missed a Canadian show

which cannot ever be replaced. As hon. members will realize, when we talk about travelling exhibits and sending out national treasures more and more, whether they relate to libraries or new cultural centres, it should be remembered that there is always a toll on the treasures as a result of the travelling. We were told in respect of the "Arts of the Raven" show that this is the last time any of these treasures will ever be lent for exhibition because of the fact that, unavoidably, the treasures become damaged in travelling. I think the national gallery and the museums have long been devotees of travelling exhibits and assistance to other museums. As you will see in the bill, there is provision for that to continue.

• (12:30 p.m.)

The hon. member for Rosthern suggested that there has been a decline in values and that we should only purchase things of value. No one could agree with him more in that regard than I, but that does not mean that we cannot buy contemporary works for both the museum and the gallery. It is all right for me to propose a $6 million purchase of a Leonardo da Vinci. I can propose it even though I do not get the money because obviously such a painting has stood the test of time and nobody could question its value, particularly since someone turned around and paid the same price for it when we would not. Surely we do not have to wait until someone has been dead 300 or 700 years to say that the value of his work is something we should accept. If that were the case we would never be able to purchase anything because we cannot seem to get the initial $6 million purchase under way.

Certainly with the current financial situation there is not going to be as much money as I should like to see added to the cultural field to carry on and expand, but I should like to undertake to the house that there is going to be no greater cut on the cultural side of life than there will be elsewhere. This is not going to be the first place where all the meat is picked from the bones, and I will defend this as a mother cat defends her kittens.

An hon. Member: Did you hear that, Richard?

Miss LaMarsh: The gallery has put on two superb shows this year, and I commend the current one, the pageant of Canada, to hon. members if they have not yet had the opportunity of seeing it. It is a rich reminder of our heritage on both sides of the two founding races. It is a particularly beautiful show. The gallery should also be commended for the fact that it was responsible for the superlative show put together at Expo. I think the world has never seen anything just like that particular collection which, unfortunately, is no longer with us.

Each of the people who are now responsible for our national museums has new ideas. Some of these ideas developed from Expo and the centennial celebrations. Nowadays things are not exhibited in a static way but in such a way that things move, make sounds, breathe, smell and involve in some way the person who comes to watch and listen. If members have not seen the new science exhibits in the new science museum opened for Dr. Baird two or three weeks ago may I commend that to them as well. After tomorrow's festivities visitors may find that they are in need of a more restful place and I suggest to hon. members that they take those visitors and friends to the science museum for an hour or two where they can at least recover from their sentiments regarding the game.

I hope I have answered most of hon. members questions. There was one other as to why the gallery is included. I have tried to explain the situation. The directors will run the gallery. They are the experts and they are there because of their learning and erudition in their particular fields. They are not there because they are good administrators. It is not necessarily true that the best person in a creative field makes the best administrator. We want the best administrator to take all the paper work off their hands, and he will be appointed as the person to do that. The directors will run their own affairs.

The hon. member for Kenora-Rainy River suggested that a director resigned after examining this bill. That may be the case but I do not know. I read the same clippings but I was never asked for an interview by the gentleman in question, and I am not sure I ever met him before he resigned. I was certainly under the impression that his resignation was due to a number of internal matters in the museum and, most importantly, because of his very sharp, and I think warranted, disappointment that it was necessary once again to postpone the construction of a new museum building. We have lots of priorities in the national capital and I agree that there are many which may be higher on the list than a national museum. I think all hon. members will realize the loss of morale

and sharp disappointment which occurred as a result of the postponement in replacing the building that once housed this chamber during the emergency created by a fire in the parliament buildings. It is still being used as the museum building, but many of us who walk into it are afraid it may be a firetrap and of danger to the children and people who visit it. Imagine how much worse the disappointment has been for the people who are working in that building and who keep hearing promises of a new building to work in with better working conditions. After all, it is not just for those who work there but for the people of Canada. They are disappointed that once again the construction of a new museum has been postponed.

There is no one more unhappy about the postponement of the construction of a new museum than the museum people themselves, and I should like to pledge to the house and to them that as fast as we can get a new museum we will get one. We will also have display places downtown so people who come to the national capital will have the opportunity to see some of the national treasures there at their convenience.

Mr. Churchill: I am sympathetic to the minister's disappointment in this regard. While the Minister of National Defence is in the house, will the minister indicate the position of priorities in respect of the museum and that great stone monument, the national defence building?

Miss LaMarsh: I do not answer for the Department of National Defence or my colleague. Both of us have to fight our own battles with the Minister of Public Works and so far my colleague has been doing better than I.

Mr. Cadieux (Terrebonne): As a matter of record, I should say in answer to the hon. member for Winnipeg South Centre that the monumental project for national defence, as he called it, has also been postponed.

Mr. Bell (Carleton): Mr. Chairman, I do not think the Secretary of State has really come to grips with the chief reservation in relation to this bill which some members of the house have. I refer to whether the national gallery ought to be part of this whole corporation or should be separate. The minister so far as I am concerned has been less than her usual persuasive self in dealing with this issue. Virtually all she has said is that repositories of art in every part of the world as well as in Canada are frequently known as museums. Some of the great galleries in the world carry the name "museum", such as the Metropolitan Museum of Art of New York.

The concern here is that the gallery will become subdued and take a secondary position without its own board of directors. I do not believe it will be possible with a board of 12 members to have a genuinely representative group of Canadians who are interested in the field of art. It may be possible to have three directors of the new corporation especially interested in art but I doubt very much that we will get more. I doubt very much that such persons who have made a great contribution to the gallery, like Mrs. H. A. Dyde, Mrs. Hugh Mackay and others, would accept an appointment to directorship of an organization which was going to be dealing with a broad field including the national aviation museum and the national war museum as well as scientific, natural and human history. I doubt also that the present chairman of the national gallery would accept an appointment to such a board, and I doubt that such distinguished Canadians as John MacAulay and Colonel Sidney Oland, both of whom have made a fine contribution and brought representative character to the gallery, would accept such an appointment.

• (12:40 p.m.)

We may lose in this situation, and if we do the gallery will take in the long haul a less significant role in this field and will become subdued in relation to the science and other museums. That is my concern. I have expressed it and the minister appears to be adamant. Time alone will tell whether the minister is right or whether those of us who have reservations are justified in having such reservations.

Mr. Howard: Mr. Chairman, I appreciate the kind remarks of the minister in regard to some of the matters I raised. Just so there is no misdirection with respect to the totem pole restoration program to which I referred, I should like to say a word or two on this subject. I understood the minister to say that I referred to Haida poles. This is not so. The totem pole restoration program is in existence now, under the auspices of a committee operating locally and assisted financially by the provincial government, in the upper Skeena river area, which is one of the few remaining areas where there are standing totems on their original site in a fairly well preserved condition.

To my knowledge there is only one totem pole of the Haida people standing on the

Queen Charlottes; all the others have either been removed and deposited in the provincial museum in Victoria or at U.B.C., or have decayed almost beyond recognition. Just so the officials to whom the minister refers this matter do not head in the direction of looking for Haida poles and the like, may I say that the area involved is the upper Skeena river.

Mr. Dinsdale: Mr. Chairman, last evening on second reading I spoke briefly on this bill, mainly with the purpose in mind of supporting the suggestion that the bill be referred to a committee so we might have an opportunity to explore in some depth the important problem of establishing a national museum that would be worthy of Canada in our centennial year.

The minister has indicated that this is not her intention. Therefore I should like to elaborate the thoughts I had in mind when I spoke briefly last evening. The minister has indicated that she feels the committee of the whole is able to come to grips adequately with the ramifications of this problem. Unfortunately that is not true because we know that the committee of the whole is a rather unwieldy organization and suffers in particular from the handicap of not being able to deal directly with the officials of the department, particularly those concerned with museum problems, in obtaining information and putting forward ideas.

The minister dealt briefly with one subject that concerns me, namely, the fate of the proposed new building. I agree with her completely that the present facilities are entirely inadequate. I refer to the old Victoria building known as the Victoria museum. The building was condemned in 1961. Prior to that the geological survey had vacated the building in 1959, as I recall, and the national gallery followed suit in 1960 and moved into its new headquarters.

While I am mentioning the national gallery I should like to support what my colleague the hon. member for Carleton has said with respect to the inclusion of the gallery under the umbrella of the corporation proposed in this legislation. I know the national gallery breathed a sigh of relief when it was finally able to vacate the old Victoria museum premises in 1960. I do not believe this was entirely due to the fact that it was occupying quite inadequate and cramped quarters. It was also because the gallery felt it had new freedom to expand and do those things that are required of a national gallery which are not necessarily connected with museum programs.

When the old Victoria building was condemned by the Department of Public Works in 1961 it was the intention of the government to have a new building ready for opening in 1967 as a major centennial project. Plans were set in motion immediately to have sufficient Canadiana available so that it would be possible to have a complete display of human history in the new building that would present the onward march of Canada from the early days of settlement and civilization and also, of course, pre-dating the arrival of the white man. Special sums of money were set aside to gather this Canadiana material. Dr. L. S. Russell, who was at that time the director of the museum, was highly enthusiastic and I recall his stating prior to his departure from the museum in late 1963 that they had succeeded in gathering from various parts of Canada representative Canadiana which would make it possible to have a comprehensive display.

The museum as a centennial project was not realized. I should like to know from the minister what are the present plans and proposals and what progress has been made in this respect. We have seen evidence of activity on the site. The old La Touraine restaurant building was torn down and all the facilities that were part of La Touraine. We had great hopes that the program was proceeding on schedule, but all during centennial year that particularly strategic site in the national capital has been a parking lot rather than a national museum. It is passing strange that we should have destroyed good accommodation which was badly needed in centennial year merely to convert it into a parking lot. There must be some plans and proposals afoot because, as the minister herself indicated, the present building is entirely inadequate and has been resolutely condemned by the Department of Public Works. In addition, as the minister hinted there may be some safety factor involved. While we are dealing with this matter in committee of the whole I wonder whether the minister could indicate the possible target date for the erection of a building which would suitably house Canada's national museum.

• (12:50 p.m.)

Miss LaMarsh: There is a classic answer to this question, namely, that it will be done as fast as funds become available. Some people have been studying this matter. Land has

become very expensive in downtown Ottawa. We asked this group of people to take an unfettered look at this matter to see whether or not sites might be available outside the immediate downtown area for labs, for research work, for storage space and for some of the display area. As hon. members know, the new museum of science is located outside the heart of the downtown area. At present it is in rented space which, however, gives us much more room than we would have had otherwise. We have also acquired another new building for the extension of the war museum which has been refurbished and reopened within the last months. This building is in the downtown area. I cannot say at this moment whether the Department of Public Works will decide to house the national museum in a number of buildings and whether they will be downtown or on the outskirts of the city. This will depend upon how soon money and land are available. It seems to me that without any question a major display space must be made available in the downtown area for the walking traffic, but it may be that in such a case exhibits, such as the huge locomotives which are in the new science museum or the huge planes in the aviation museum will never be displayed downtown where space is so valuable. I am sorry I cannot give a more specific answer at the moment but the whole matter is now being re-examined because of the delay in implementing the plans which had been made previously.

The hon. member should not forget that the national gallery is also in the plans. The Lorne building in which the gallery is now housed is only temporary accommodation and was originally designed for use as an office building. I hope that one of these days Canada will take sufficient pride in her achievements to build something like the Philadelphia museum which is a magnificent setting for a magnificent collection.

Mr. Dinsdale: Mr. Chairman, the minister is correct in that respect. I realize that the present accommodation of the gallery was originally designed to house the old department of citizenship and immigration. It is understood that it is being used temporarily to accommodate the national gallery. Am I to conclude from the hon. lady's remarks that the site which was originally designated for the national museum is no longer available for that purpose and that the plans which were made in that connection have been scrapped entirely? That site was originally chosen because of the possibility which it offered of expanding into the area occupied by the temporary buildings which house the Department of National Defence.

I know that various museums have been located on the outskirts of the city. For instance, the old archives building now houses the war museum. The aviation museum which was established in 1959 as the nucleus of the museum of technology is now located at Rockcliffe Airport, and the rented buildings in the east end of the city now house the museum of science. I conclude that these plans are temporary and that the minister and her department still have their eyes on the valuable site which is now serving as a parking lot.

Miss LaMarsh: It is my recollection that the last time I discussed this matter with the under secretary of state I noticed that on the map this area is still marked "museum", but at the time when I discussed this matter I understood that this space might be confined to a display area and not used to accommodate all the other supplementary exhibits which are such a vital part of the museum but which do not necessarily need to use such expensive space. I have asked my colleague who has seen the map lately and he says the space on the map is still marked "museum".

Mr. Dinsdale: No doubt some of the material which was gathered for display purposes in 1967 was used in the centennial caravans and in the centennial train which travelled across the country, but I presume most of it is still in storage awaiting the day when we will have the display facilities to which the minister has referred.

Miss LaMarsh: Most of the material in the train has been borrowed from one place or another and it has to go back. The promise was made that it would be returned at the end of 1967. It is not owned by Canada or by the national museum. If my hon. friend is referring to some other collection for 1967, I am afraid I do not know to what he refers, unless he means the display of Canadiana in the gallery itself which was opened a month or two ago and which has been collected or borrowed. It will be on display at least until the end of the year.

Mr. Dinsdale: The material I am referring to is that which was gathered during the years 1961, 1962 and 1963, particularly under the direction of Dr. Russell who was with the museum at that time and to whom special

funds were made available to gather this material in preparation for the centennial year. Unfortunately we lost Dr. Russell to the Royal Ontario Museum as a result of his disappointment when the government after 1963 decided not to proceed with this centennial project. I presume that this material is owned by the national museum and it is designed to present a complete picture of the development of Canadian social life and Canadiana from the earliest years of settlement.

Miss LaMarsh: Mr. Chairman, I will have to look into the matter.

Mr. Herridge: Mr. Chairman, I remember my early days as a boy when the Smithsonian Institute and other United States institutions made studies of the Kootenays and the lakes Indian tribes in the interior of British Columbia. At that time a large number of artifacts were carted off in cases. I understand that not too much was done to organize this sort of undertaking at that time. When the Columbia river treaty was being considered I asked the minister concerned whether our national museum could co-operate with the provincial authorities to preserve those artifacts and other things in connection with the lakes Indian tribes which can be found and which will be destroyed owing to the flooding of the Columbia River. What has our museum done in that respect? The only thing I have heard about is the trip made by Dr. Leishman down the Arrow lakes, who then made a report on the Arrow lakes Indian band, but I have heard nothing more.

Miss LaMarsh: I will have to investigate this matter further. I remember that my hon. friend was particularly interested in the Arrow lakes and he told me there was a rather notable Indian burial ground in that area which was to be flooded. I will see if during the lunch hour I can ascertain that for my hon. friend.

The Chairman: Order, please. It being one o'clock I do now leave the chair. The committee will resume at 2.30 p.m.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: Shall clause 2 carry?

Clause agreed to.

On clause 3—*Establishment of corporation.*

The Deputy Chairman: Shall clause 3 carry?

Mr. Bell (Carleton): On division. Perhaps I should explain that I say "on division" simply because I disagree with the idea of bringing the National Gallery and the other museums together under one corporation. I earnestly hope the minister is right and I am wrong. Perhaps we will analyse the situation ten years hence.

Clause agreed to on division.

Clause 4 agreed to.

On clause 5—*Purposes of the corporation.*

Mr. Dinsdale: Mr. Chairman, earlier in the discussion I spoke to the minister about provision for close co-ordination and co-operation with the provincial museums which are now operating in almost all of the provinces across the country. Manitoba will have a very fine museum as a part of its major centennial project. Saskatchewan, Ontario and other provinces also have creditable museums. I believe it would help in achieving what obviously this bill is endeavouring to achieve, the establishment of a body of public opinion nationally for the preservation of our history and our culture which has been so sadly neglected until recent years, if we were able to ensure in a formal way continuous consultation and co-ordination between the national museum and the corresponding provincial museums. I agree also with the hon. member for Halifax who emphasized the developments that are taking place in the universities of Canada in making contributions toward the commemoration of our past.

So that this idea may be formalized as part of the legislation before us I move:

That subparagraphs (f) and (g) of clause 5(2) be relettered as (g) and (h) respectively and that a new subparagraph (f) be added as follows:

(f) establish adequate liaison with provincial museums and universities with a view to securing maximum collaboration of all activities in this field, and for such purposes to establish a committee or committees pursuant to section 13.

Mr. Bell (Carleton): Surely the minister can accept that amendment without advice from the gallery.

Miss LaMarsh: I should like to see a copy of the amendment in writing first. I am afraid this is a lawyer's vice, but I should like to look at it. I do not see any objection to (f) as it is. I understand that is the only

paragraph to be inserted. I believe that perhaps the current (f) takes care of the situation, but if the committee feels they would like to be more specific about it I have no objection to the insertion of such an amendment.

Mr. Howard: I wish the minister would not move with such speed on that item. While it may well be covered by an extremely generous interpretation of some other subclause, we had in mind putting forward the suggestion that an arrangement might be made for the lending of materials and objects by the national museum to other museums in Canada. When I say that I do not mean to include only provincial museums and university museums. There are in existence other museums. I take it the wording of the amendment applies to museums under the aegis of provincial governments as distinct from local or community museums. The hon. member for Brandon-Souris nods his head, so I take it my interpretation is correct. Museums in my area and in the area represented by the hon. member for Comox-Alberni from time to time borrow objects from the national museum on a temporary basis to supplement their own exhibits. That, I think, is a commendable approach.

• (2:40 p.m.)

Since the minister has said that she is willing to accept an amendment, would she be willing to consider broadening the concept proposed by my hon. friend on my right? Instead of including only provincial university museums, could not the amendment encompass all museums of Canada with respect to materials being lent to them on a temporary basis? I know it is difficult to draft an amendment to a bill by standing up and chatting about it, and I am not attempting to move a subamendment to the amendment of the hon. member for Brandon-Souris. I am merely putting forward my idea as a talking point. I hope it is possible to incorporate my idea into an amendment that will be drafted to conform to accepted legal and parliamentary practice.

Miss LaMarsh: Perhaps the mover of the amendment, and I am prepared to accept it—might like to say in his amendment "establish adequate liaison with museums and universities". That might secure maximum collaboration with respect to all activities in this field.

An hon. Member: Doing it that way would be very difficult.

[Miss LaMarsh.]

Mr. Howard: That might be acceptable if it were not, for the fact that museums are defined as meaning "a museum described in section 6 or established pursuant to that section". All that that wording would do would be to establish liaison among the museums set forth in clause 6. The words that we had in mind in respect of any such amendment would cover museums in Canada other than those described in section 6.

Miss LaMarsh: Perhaps both hon. members who have spoken might get together behind the curtain for a few minutes, and we can stand the clause until we get an amendment that satisfies them. I shall look at it. That way we shall not take up the time of the committee.

Mr. Howard: Shall we go behind the curtain?

Mr. Dinsdale: Before we disappear behind the curtain I might make a suggestion that might satisfy the minister and the hon. member for Skeena. I have not got a copy of my amendment but the word "provincial"—

Mr. Bell (Carleton): Just say "other museums".

Mr. Dinsdale: Wait until I get a copy of my amendment. The wording is, "establish adequate liaison with"—

Mr. Bell (Carleton): Other museums.

Mr. Dinsdale: —"provincial museums and universities". I have mentioned provincial museums because they are formal and well established organizations and come under the aegis of provincial governments. Those governments in turn have some responsibility for municipal museums, or whatever one likes to call them. Municipal museums would make their contacts and arrange liaison through the provincial museum organization. I wonder whether that wording would satisfy the hon. member for Skeena. The wording would be "establish adequate liaison with provincial"—

Mr. Bell (Carleton): With other museums.

Mr. Dinsdale: "With other museums and universities with a view to securing maximum collaboration", etc.

Mr. Howard: I hear the hon. member for Carleton giving the hon. member for Brandon-Souris advice. I do not know whether I should accept that wording because of that. I will take the word of the hon. member for

Brandon-Souris that that wording will do what we want it to, and as such it is perfectly agreeable to me. Nevertheless, I know that this is a most unwise way to draft legislation. We are constructing an amendment in bits and pieces by chatting back and forth.

Mr. Churchill: It is not unwise when the work has been done by the hon. member for Carleton.

Mr. Howard: I do not know about that. I had some experience with the hon. member for Carleton and yourself, sir, when both hon. gentlemen sat on the government side of the house. I would not place too much reliance on what either of those two hon. members propose.

Miss LaMarsh: This seems such a cozy Friday afternoon and everybody is in such a good mood that we will hope it continues this way. This seems a most effective way to draft an amendment. Could I see the amendment again, please?

Mr. Bell (Carleton): The minister had the appropriate nod from the gallery. She might accept the amendment and substitute "other" for "provincial".

Miss LaMarsh: I am not sure I could draft this amendment in French. Perhaps someone here might wish to translate it into French.

Mr. Bell (Carleton): The hon. member for Kingston is especially skilled in that.

Miss LaMarsh: His specialty is Dutch.

An hon. Member: Double Dutch.

The Deputy Chairman: Shall we delete the word "provincial" and replace it with "other"?

Some hon. Members: Agreed.

The Deputy Chairman: Shall the amendment carry?

Mr. Barnett: Before the amendment is put to the committee I wish to say a few words on the idea expressed by the hon. member for Skeena. He and I have discussed it previously. When this amendment is properly drafted he hopes, as I do, that taken with the words in the present paragraph (f), "provide professional and technical services", the implication will be that materials such as those now in the national museum may from time to time be placed in smaller museums across the country.

Some years ago I discussed this matter with a former director of the human history museum. We talked about having some articles in the possession of the national museum relating to our west coast culture placed in appropriate locations in the areas from which the articles came. I believe I am correct in saying that some time after 1958, when I was temporarily absent from the house, something like that was done with respect to a small, local museum in my area. As I recall, the condition was laid down that the museum must have suitable display space and that the articles displayed must be reasonably protected, from damage or fire.

I feel that such activities should be an important part of the work performed by our national museum. While it is all very well to have central buildings housing collections in the capital, I point out that in a country the size of Canada only a small percentage of the population will have the opportunity, even over a period of years, to see the treasures that are displayed here. I hope that if this amendment is carried the corporation and the directors of the various museums will seriously consider the idea of expanding opportunities for Canadians in other parts of the country to view in their own localities some of the works of different kinds now held by the national museum.

• (2:50 p.m.)

Amendment agreed to.

The Deputy Chairman: Shall clause 5 carry?

Mr. Herridge: Mr. Chairman, I wish to say a few words on the clause in relation to subclause 2(f) which reads:

> —arrange for or provide professional and technical services to other organizations whose purposes are similar to any of those of the corporation, on such terms and conditions as may be approved by the minister;

And so on. Over the years we have established a large number of local museums and our centennial year has created a demand to establish more of these museums, which we are glad to see.

I wonder whether this clause would make it possible for the national museum to provide advice to smaller museums or even courses for the directors and staff who operate them. Since the great part of the work in such museums is performed on a voluntary basis, if these people were given the opportunity to attend a course in administration of museums, arranging collections and so on it

would be of great value to these people who undertake this work across Canada. Could the minister tell the committee whether this clause makes this possible?

Miss LaMarsh: Mr. Chairman, I think this would more properly fall under paragraph (e) which deals with undertaking or sponsoring programs for the training of persons in the professions and skills involved in the operation of museums. I am not certain that the draftsman contemplated bringing in part time volunteers, but there is no question that the language is wide enough to do this provided there was a demand and the museums had sufficient funds.

I do know that there are relatively few people who are trained to administer museums and operate them, and certainly any assistance which can be given them would be very much appreciated. I have already had some conversations with officials of the national museum about this. For example, the small centennial museum in the Northwest Territories was able to obtain a number of beautiful furs and pieces of Eskimo clothing, but it had to construct papier-maché figures in order to display the exhibits. We have been searching for some mannequins but these were beyond the financial capability to provide. This would have enabled them properly to display the figures in the small museum that has been built.

As I say, the language is wide enough even though it does not order this necessarily to be done. I think that the officials would want to explore the possibilities of such a program before being committed to it.

Mr. Herridge: I thank the minister for her answer, but to illustrate what I have in mind may I talk for a moment about the museum at Nelson. A lot of voluntary work is done there, but if that museum had the funds to send one or two persons to Ottawa to attend a course in the administration of museums and other related matters, would the minister think this clause would be wide enough, the matter having been considered, to permit this to be done?

Miss LaMarsh: I think the language is even wider, Mr. Chairman, in that if the museum had sufficient funds it could undertake or sponsor programs within a university. This might be done as a summer course or something of that kind and might be a better way to handle these volunteers.

[Mr. Herridge.]

Mr. Barnett: Mr. Chairman, I was very pleased indeed that the minister indicated earlier to the committee that she had personally been able to view the "Arts of the Raven" display in Vancouver during the past year and I join with her in praising it. I was also interested to see that she displayed an interest in the preservation of totem poles, a subject raised earlier by the hon. member for Skeena. In light of the interest she displays in the native culture of that part of British Columbia from which the hon. member for Skeena and I come, I am emboldened to pursue one aspect of the matter a little further.

For purposes of so doing I should like to make particular reference to paragraph (a) of subclause 2 in which power is granted to the corporation to collect, classify, preserve and display objects relevant to its purposes. I want to relate that authority with that which has been exercised under the aegis of the government of Canada and the museum system we have had heretofore, with particular reference to many of the items produced by the native peoples. I have specific reference to the members of the Kwakiutl nation who for the most part, except in the northern portion, live in an area that is now in the constituency of Comox-Alberni. These items were used by them in former times for the purpose of their potlatch celebrations.

The minister is probably aware that at one time the parliament of Canada took action to outlaw these festivals so far as the Indian people on the west coast were concerned. As part of the business of enforcing the law the government of Canada took into its possession a very large number of the beautiful items which had been part of the regalia of the potlatch festivals. I understand that these items are still in the possession of the government of Canada and in the custody of the national museum in particular.

At a considerably later point in time parliament saw fit to remove from the Indian Act that section of the law which forbade potlatching. In other words, it is quite legal now for the Indian peoples on the west coast to hold these festivals should they so desire. I think I should say at once that it is most unlikely they would be revived fully in the manner and to the extent they once existed; nevertheless there is that tradition of festivals.

This is not really what I want to deal with, Mr. Chairman. What I do want to deal with is the fact that while I know it has been said

that the Indians received some reimbursement at the time for these articles—I have never been able to find out just how much they did receive but in effect they were purchased—nevertheless for all practical purposes there was a forced seizure from them of some of the most cherished possessions in their tradition.

• (3:00 p.m.)

So far as the Indian people are concerned, the Kwakiutl in particular, and especially since the Indian Act which forbade potlatches was amended they regard this as virtually an illegal seizure of their cherished, traditional articles by the government of Canada. There has been a long-standing grievance in this connection. Now that there is a revival of interest in their own culture these people in my area are becoming more and more desirous that these hereditary articles be returned to them. One may say that possession is nine tenths of the law, but the fact that parliament changed the Indian Act does not change the status of these articles.

If I am correct in my assumption that the articles now in museums will come under the jurisdiction of the proposed new corporation, I urge the minister not to regard passage of this bill as establishing any further barrier to an act of simple justice in recognizing the right, title and interest of these people in these articles. In the minds of many of the people that I represent in the house, the government of Canada is perpetuating a long-standing injustice by continuing to claim it has a right, title and interest in these things.

As a result of the revival of interest in their culture the Kwakiutl now have an awakening realization of the value of these articles and of their intrinsic worth and beauty. They recognize that many changes in their own mode of living have taken place since the potlatches were banned and that these things will probably never be used again in the way they were previously. These people know there was a period when they themselves were willing to let other people take these things away from them for a song. It was during that time that many of the items on exhibit in the "Arts of the Raven" display were allowed to leave Canada and be placed in museums in the United States and Europe. It is possible that they will never be regained. But in conversation with me the leaders of these Indian people tell me they would like to have recognition of their right to the potlatch seizures. They also tell me that if their rights were recognized they would be willing to take whatever steps are necessary to ensure that these items would be taken care of and preserved and in effect see that they are placed in museums so that they could be enjoyed not only by themselves and their grandchildren but by the rest of Canada as well.

I feel it very important that the Secretary of State should understand the importance and significance of the situation. I hope she will do all within her power to rectify what I am convinced was one of the worst things to take place in our past and for which we should have regret. Some of the people from whom these things were taken are probably no longer represented by the families involved, but others are. It is to avoid any sort of conflict among themselves as to which articles belong to whom that they would be prepared to take appropriate steps to ensure that all the articles will be preserved for their own enjoyment and for ours, provided parliament recognizes that in effect an injustice was done to their people.

Mr. Howard: Mr. Chairman, the hon. member for Comox-Alberni has raised something which leads me to another matter generally involving the removal of artifacts and artistic objects not only from the people to whom they belong but from the country entirely. I think that the oldest known item of native Indian creativity is in the British museum in London. It is a relatively small mould which I believe has a beaver design carved on it. There may be some argument whether it is in fact the earliest item still preserved, but certain journals have made that claim.

This item is in London. It is not in Canada. The American Museum of National History in New York has a tremendously large collection of items from the west coast, including a Haida war canoe, examples of which are few and far between now. It is displayed so as to make one believe it is still in use, with human figures dressed in Indian regalia. A great many of the items which were displayed in the Vancouver art gallery presentation of the "Arts of the Raven" had to be obtained on loan from other parts of the world—

Miss LaMarsh: But some from the national museum.

Mr. Howard: I said a great many of them had to be obtained from other parts of the world, some from the provincial museum in British Columbia, and some from private collections in that province. I was not trying to

say there were no contributions from within Canada or from the national museum. In fact the national museum has a very complete collection of items from the west coast, most of which is stored in an attic some place out of sight of visitors.

Miss LaMarsh: Not now.

Mr. Howard: I have not been there for some time but on one occasion I had an opportunity to go into one of the back rooms on an upper floor through the courtesy of Dr. Barbeau who was in the museum that day.

The fact remains that there are a great many items of highly artistic quality, items which are Canadian, that have been removed from our country in years past and deposited in private and public collections in other parts of the world. It may be too late to do something about them now. Many of these items, certainly those made of wood, decay quickly if exposed and through the passage of time disappear in a natural way.

• (3:10 p.m.)

I understand that some nations in the world prohibit the removal from their countries of archaeological items relating to the history and culture of the area itself and to the people indigenous to the area. To my knowledge nothing of this nature exists in Canada today. There has been a great influx of tourists into the country in the last few years especially since the opening of the Alaska marine highway or ferry system which runs from Prince Rupert to Panhandle, Alaska, and the institution by the province of British Columbia of service by the *Queen of the North* from Vancouver Island to Prince Rupert. Incidentally, this ship will be out of service until some time next year owing to a decision by the premier of the province—regretfully so, I say—but that is another matter. In any event, this factor plus our promotion of tourism has resulted in an extremely large number of tourists moving through an area where there are still a great number of these items in the possession of individuals and in some of the homes and buildings which no longer are in use or are semi-deserted because people do not live there any longer. There is almost a scouring of the area to find anything that was produced by the native people, especially the older items.

Miss LaMarsh: I have done that myself.

[Mr. Howard.]

Mr. Howard: The minister says that she herself has done this. I hope that whatever she found she did not remove from Canada.

Miss LaMarsh: I could not afford it.

Mr. Howard: Then you were not looking in the right places. I do not like to single out United States tourists in this regard. However, they do come up in very large numbers simply because they have an easy means of access by road and can make use of trailer camps and because the North American continent has interconnecting roads between the two nations. This is easy for the United States tourists to do just as it is easier for us to travel to the United States by road.

Every summer searches are still going on in many areas, particularly in villages which are not too heavily populated in the summer because the people, mainly from the upper river villages, go down to the coast to Prince Rupert to fish and work. Many of the homes are boarded up when the people leave and it is not uncommon to find they have been ransacked or to find totems standing from which pieces have been hacked or pulled off if that was possible. In fact this occurred not too long ago in the village of Skeena Crossing. I notice that the minister expresses some shock. Three people were involved in this incident. It is true they were Canadians, but that does not lessen the crime. They stopped at the Indian community of Gitsegeulla and took one of the figures from the pole.

Miss LaMarsh: You had better spell that name.

Mr. Howard: It is just as hard to spell as it is to pronounce. The woman who was in the house came out and protested but most of the men were away and she could not do very much. Fortunately they were able to contact the R.C.M.P. The R.C.M.P. stopped the car with these three people in it 30 miles up the road. They took the piece of the totem from them but did not lay any charges. The minister expresses shock again. I communicated with the officials about this matter but so far as I know nothing was done. This is the type of activity which goes on.

The point I started to make and which I should like to make is the necessity to retain as much of this material as we possibly can within the country. It is too late to have returned to this nation and to the people many of the beautiful old items which were removed from our country many years ago. However, I do not think it is too late to take

similar action to that taken by Mexico and Egypt whereby artifacts or materials representative of the earlier culture of these nations cannot be taken out of the country. By this means we could at least preserve what is left of these older and beautiful objects.

This may not be the bill in which we should incorporate such a prohibition or sanction. It may be that some other piece of legislation is required or it may be a matter which should be dealt with in the Criminal Code. I do not presume to know how the government draftsmen would think this should be done. However, I do think it should be done and I put forward the suggestion to the minister that if it can be incorporated within the bill before us we should consider doing it. If it requires some other type of legislative approach, through another act or another department, then let us consider doing that. I do not think we should continue to allow items which are truly the possessions of the native people of this nation and by adoption are really a part of our cultural inheritance to be removed from the nation. I should like to see a sanction placed against the removal of these items from the country.

Miss LaMarsh: This is a very interesting proposal. It raises a problem which I do not think can be dealt with in this bill. It is a problem which perhaps has been with us for quite a long time. Many countries, particularly those with very ancient civilizations such as China and Greece, for a long time have prohibited the export from their countries of ancient treasures. So far as I am aware the only legislative enactment which exists in Canada is within the jurisdiction of the provinces. It will be appreciated that this matter involves the question of property and civil rights which constitutionally come under the jurisdiction of the provinces. Some of them do have "treasure trove" legislation.

You will recall the case of the gentleman who recently found gold bullion off the coast of Nova Scotia. He had to deal with the government of Nova Scotia. Whether then offshore rights under the water come under federal or provincial jurisdiction, it would seem that property which is found on the shores, until this time at least, has been under the jurisdiction of the provincial governments and they have enacted legislation.

In my constituency about three years ago an Indian burial ground some 400 years old was accidentally found in the backyard of a commercial establishment. It is one of the oldest burial grounds to be found in Ontario. A United States anthropologist came to the rescue. She came from Buffalo and brought with her some of the students from the university who began to dig. It was the municipal authorities who contacted me in this regard. While the national museum paid out a matter of a few hundred dollars in order to forestall the construction of a blacktop surface in this area so that this burial ground could be examined, it was the provincial government which came into the picture. They contributed no money but they were the only ones who had a right to authorize digging to go ahead.

• (3:20 p.m.)

There seems to be a real shortcoming in the co-operative structure across this country when something which could be a national treasure turns up. Unless there is a national emergency the federal government cannot step in. It is only the provincial governments that can do anything in this regard; yet it may be a national treasure, not a provincial one. I see no way in which this can be incorporated in this legislation because of the very great constitutional difficulty. Certainly the time has come, and this must be more in the minds of people now in centennial year, when we should make different arrangements, particularly when you consider that when we want to exhibit Champlain's astrolabe we have to borrow it from the United States. This also was the case in respect of the geographic clock that was used by the first surveyors of Quebec city, Prince Edward Island and Nova Scotia. When we try to purchase articles of this kind we find they are in the United States. It was only as a result of the generosity of American Airlines to the people of Canada that this clock —I have forgotten the exact name—was returned here.

These things are a few hundred years old; yet we have treated them as though there are many more and we need not concern ourselves about them. It seems to me, as mentioned by a number of members, that there is not only new interest in what we have to display but in digging up new things which might be usefully displayed. Incumbent upon this will be a new interest in preserving those things which are already here in this country. I would be very happy to take up the suggestion that we should have a tighter policy in respect of national treasures which may still be within our borders, perhaps

under the jurisdiction of provincial authorities, with a view to coming up with better legislation.

Mr. Howard: The sympathy and understanding of the minister in this regard are very good and should be commended. If there is an exclusively constitutional difference involved, perhaps all we can hope for is that someone will be hired who has an equal interest and sympathy, as well as understanding, in these matters. I am afraid that the various provincial governments are not as interested in these things as the minister.

Perhaps I might suggest that the minister look at the constitutional aspect of this matter from a different point of view. Indian lands and reserves fall exclusively within the jurisdiction of the federal government. Perhaps this can be extended to those lands vacated by the Indians, some of whom have left behind historic possessions. One must also consider customs and excise laws, as well as international relationships, all falling within federal jurisdiction. We now have the Export and Imports Permits Act which requires permits to export certain things. Perhaps this could be taken into account in relation to federal authority regarding the removal of these Canadian treasures from Canada. I realize that as long as money is not counterfeit the property rights lie with the individual who possesses it. On the other hand, the amount, color and value fall within the jurisdiction of the federal government. At various times in the past we have prohibited Canadians from taking more than a certain amount out of the country. Perhaps in this regard there is some constitutional framework within which we could prohibit the removal of items of this kind from the country.

These suggestions are only put forward as possible ways of preserving articles of historic value in this country. I do not disagree with the minister but simply suggest that if she is going to look into this matter she might well look into it with these points in mind. They may provide an avenue of approach for action on the part of the federal government to protect and preserve those items to which we have referred.

Clause as amended agreed to.

Clause 6 agreed to.

On clause 7—*Museum directors.*

Mr. Herridge: I should like to ask the minister one or two questions in relation to clause 7. I hope she will be able to tell us what happened as a result of Dr. Leishman's tour on the *Minto* and his report in respect of the history of the Arrow lake Indians. What has been done by the museum in this respect? How many of the directors and the staff of the museum are members of the Anthropological Association of Canada?

I have in my hand a journal published by the Anthropological Association of Canada, of which I happen to be a member. I have recommended the Anthropological Journal of Canada to practically every museum in Canada and more of them are subscribing to it each year. I have been willing to send out hundreds of letters in this regard to the smaller museums across Canada, and I have received a number of letters commending the formation of this organization as well as the articles by the editor and other persons. I am wondering how many members of the staff belong to this group. I should also like to know whether the national museum subscribes to this journal, the editor of which is a professor of archaeology at the University of Montreal.

Miss LaMarsh: I understand that Dr. Taylor of the national museum is a member and that the other three directors are not.

Mr. Herridge: Does the museum subscribe to this publication as one of its official periodicals?

Miss LaMarsh: I am informed that it does.

Mr. Herridge: I am very happy to hear that.

Miss LaMarsh: I am not aware of how much commission goes to the hon. member or how much credit he gets, but the museum does subscribe.

Mr. Bell (Carleton): Mr. Chairman, why does the minister not bring her officials down to the floor? Previous governments have always brought their officials to the floor so that members could get immediate answers. This present type of affectation follows the line of thinking that legislation can be put through without the help of officials. This is really nothing more than plain nonsense.

Miss LaMarsh: A few moments ago the hon. member was complaining that I was looking up to the gallery for guidance.

Clause agreed to.

Clauses 8 to 11 inclusive agreed to.

On clause 12—*Remuneration and expenses of members.*

Mr. Lambert: I am interested in this clause because there seems to be an inconsistency in so far as clause 13 is concerned. Let me refer to the last four lines of clause 12 which states that each member of the board or of a consultative committee is entitled to be paid by the corporation such travelling and living expenses incurred by him in connection with the performance of his duties. If we look at the bylaws we find in clause 13 (d) that the board may fix the remuneration and travelling and living expenses to be paid to members of the board as provided in this act and to members of consultative committees other than members of the board. There seems to be an obvious gap in that either the intention is that the members of the consultative committees shall not be paid remuneration or shall only be paid under clause 13(d). The permissive clause is clause 12. If it is the intention to pay these people who are members of consultative committees, it is not provided under clause 12. However, the bylaws purport to say this could be done. I suggest to hon. members that there is conflict here.

• (3:30 p.m.)

Miss LaMarsh: Clause 12 reads as follows:

Each member of the board—

That is, other than those who receive a regular salary.

—shall be paid by the corporation . . . such remuneration as is fixed by bylaw of the board, and each member of the board or of a consultative committee of the board is entitled to be paid by the corporation such travelling and living expenses incurred by him in connection with the performance of his duties as are fixed by bylaw of the board.

Clause 13 (d) reads as follows:

13. The board, with the approval of the minister, may make bylaws—

(d) fixing the remuneration and travelling and living expenses to be paid to members of the board as provided in this act and to members of consultative committees other than members of the board;

Mr. Lambert: With the greatest respect, Mr. Chairman, clause 12 authorizes people to be paid remuneration and expenses but there is no provision in clause 12 for the payment of remuneration to members of consultative committees. If there is no such authorization there is no possibility of a bylaw under clause 13 granting such remuneration. You can have it one way or the other.

Miss LaMarsh: It is not intended to pay remuneration to members of consultative committees; it is to be paid only to members of the board. Subclause (d) of clause 13 deals with this question. If you do not have authority under clause 12 you cannot pay them under the provisions of clause 13.

Mr. Lambert: Then fix the remuneration, travelling and living expenses to be paid to members of the board. As the bill is drafted, this provision applies to members of consultative committees other than members of the board. There is no limitation in the bill as drafted.

Miss LaMarsh: Remuneration will be paid only to persons authorized under clause 12.

Clause agreed to.

On clause 13—*Bylaws.*

Mr. Churchill: Mr. Chairman, I think we should again look at subclause (d) of clause 13. The word "remuneration" applies to members of the board and to members of consultative committees. It is surely not the intention to put the members of consultative committees on salary. The intention as expressed in clause 12 is that they shall receive their travelling and living expenses. This is just a matter of redrafting subclause (d) to limit the remuneration part to members of the board. If this clause were stood for a minute or two I think the officials might very well correct the drafting, which would save our having to do it across the floor of the house. I suggest that we deal with the following clauses.

Miss LaMarsh: Mr. Chairman, I cannot agree with my hon. friend. Clause 13 (d) of the bill deals with one group, namely, the members of the board, and it fixes the remuneration, travelling and living expenses as provided in the bill. Clause 13(d) then refers to members of consultative committees other than members of the board. The bill does not provide for them to receive remuneration for the time they are there but applies only to travelling and living expenses.

Mr. Lambert: The minister has got it wrong.

Miss LaMarsh: No, Mr. Chairman, I have not.

Mr. Churchill: Mr. Chairman, surely the clause fixes the remuneration, travelling and living expenses to be paid to members of the board. That is the first group. Then surely

the intent, as the clause is now worded, is to fix the remuneration, travelling and living expenses to be paid to members of consultative committees. How else are we to read this paragraph? I think it should read something like this; "fixing the remuneration to be paid to members of the board as provided in this act and travelling and living expenses to be paid to members of the board and to members of consultative committees."

Miss LaMarsh: Mr. Chairman, the members of consultative committees are not to be paid remuneration. That is not the intention of this legislation. They are to be paid only travelling and living expenses. Only the members of the board are to receive a per diem as remuneration. That is what the clause says.

Mr. Churchill: I do not want to get into a dispute about this, Mr. Chairman. I have suggested that this clause be stood. The officials could look at it, and if from their lofty post they decide that the minister is right and we are wrong, we will have to accept their verdict. But at the moment this clause is not very clear to us. Why can we not stand it? There are eight or ten clauses to be dealt with; we could consider them and come back to clause 13. In the interval we might receive some advice in this respect.

The Chairman: Is it agreed that clause 13 shall stand?

Some hon. Members: Agreed.

Clause stands.

Clause 14 agreed to.

On clause 15—*Agent of Her Majesty.*

Mr. Herridge: Mr. Chairman, I have one question to ask the minister in connection with this clause. When can we expect a new building for the museum? This question has been raised several times. Can the minister give us any idea of the target date toward which she is working in this respect? Many other buildings have been constructed that we could very well have done without. We have been waiting for this building for a number of years and the fact that it has not been constructed has been responsible for a number of resignations.

Miss LaMarsh: Mr. Chairman, my target was 1967, and I have obviously missed it.

Mr. Orlikow: Has the minister a new target, and can she tell us how many of the directors of the museum have resigned because they say commitments were made by various governments that a new building would be erected? How many more directors are likely to resign if a new building is not erected?

Miss LaMarsh: Mr. Chairman, in answer to the first part of the question I may say that I am not sure what the new target is. The building will be erected as funds become available. With regard to the second part of the question, I think three or four directors have resigned in the last five or six years. I cannot give the reasons for all the resignations, but certainly none of them was happy about the facilities they had. So far as the third part of the question is concerned, I hope no more directors will resign for this or any other related reason.

Mr. Orlikow: Mr. Chairman, perhaps I am a little dense. The minister says her target date was 1967. Obviously that has gone. Is there another target date? There is not a freeze on all building. I am not at this time going to be critical of the amount of money which is being spent across the street for the performing arts centre. Perhaps we could have got by with spending $30 million rather than $42 million and could have used the money thus saved to build a museum. I ask the minister whether there is now any target date set for the museum, or is this project to be one of a list which we will one day consider?

Miss LaMarsh: No, Mr. Chairman, I think it is pretty high on the postponed list. I do not think it is in never-never land by any means. As I explained before lunch, we have been looking at other possibilities and perhaps having in centre town a display area and other buildings which are less expensive per square foot outside the core of the city for research and laboratory work. It depends upon the economy. No one wants to see the cultural institutions pinched off. I am sure everyone agrees that when there is only a certain amount of money there are probably higher priorities then the provision of such a new building. However, a number of projects have been postponed.

• (3:40 p.m.)

One of the things I had hoped to see established this year was another project which would have come under this bill. I refer to the first national zoological gardens. However, that also does not have the highest priority although it was first recommended in the Massey commission report. Nevertheless it

seems to me incredible that a national zoo has never been created and, indeed, it would be necessary to do so to round out our series of museums. But this project, although it has been regarded with considerable favour and was almost accepted for 1967, has had to be postponed as well.

I think it would be unrealistic for me to give the hon. member a definite answer in reply to his question. What I can say is that as long as I am the minister in charge of this department this will be my goal for the current year and the next year, and if it keeps being postponed it will only be because I have to push against a substantial minister.

Clause agreed to.

Clause 16 agreed to.

On clause 17—*Gifts, bequests, etc.*

Mr. Dinsdale: Mr. Chairman, clause 17 deals with the arrangements whereby the corporation may acquire by gift, bequest or otherwise any real or personal property. In the past the national museum has acquired artefacts which have been discovered in other parts of Canada, and it would appear from past experience that the areas in the provinces in which these artefacts are found have no say in their ultimate disposal. I should like to ask the minister whether, for example, in the instance of an early Indian mound located by archaeologists which, produces artefacts of considerable interest to that area there is any consultation with the province as to the ultimate disposition of these artefacts.

Miss LaMarsh: I am sorry, Mr. Chairman. I was speaking to my parliamentary secretary about the answer to another question and I did not hear the latter part of the hon. member's question.

Mr. Dinsdale: Earlier in the discussion the minister intimated she thought the committee of the whole could deal adequately with the details arising from the bill before us. It is quite obvious that the committee is not having great success in this regard. I thought I had made my point quite explicit, and I agree with the hon. member for Carleton that it would be of considerable help, particularly at the committee stage when we are dealing with the details of the bill, if the minister could have the advice of her officials. I have been here for a period of 16 years and it has always been the custom as a courtesy, particularly to members of the opposition, to allow the officials of the department to be present on the floor of the house to advise the minister with regard to answers to some of the more obscure questions which arise. It is quite impossible, even for ministers, to be omniscient with respect to all matters relating to a department. Even Liberal ministers are not so omniscient; they have human frailties like the rest of us. I think there was every justification for sending this bill to a special committee where we could have examined in depth the important items arising from this bill and where we would have had direct access to the officials and their background of information.

The point on clause 17 which I raised previously arises from past experience. When artifacts are located in a region of Canada which are of special significance to the history of that area—I mentioned as an example the uncovering of an Indian burial mound which would reveal oll sorts of valuable archaeological artifacts—is there any consultation with the provincial government with regard to their ultimate disposal?

Miss LaMarsh: I would be very happy to have my officials down here but there happen to be four of them and it is customary to have only two on the floor. Two of them are museum directors, one is the director of the national gallery and the fourth one is the under secretary. I do not see any particular reason for having them down here unless there are details which cannot be answered by the usual procedure. This is not to say that I know everything, and the same can be said from having observed hon. members opposite at the time when they were sitting on the front benches on this side. I do not have that kind of arrogance.

Mr. Bell (Carleton): Indeed, you do.

Miss LaMarsh: I do not feel arrogant about museums; I did not know anything about them. I do not suppose anyone could start out knowing as little about them as I did, but at least I wound up knowing more about them than some of the ministers who have dealt with this matter. I am doing what I can about it.

As I informed my hon. friend earlier, the material which has been collected heretofore has been kept in different parts of the museum. Some of it is on display in the science museum and some is on display in the national museum. I am sorry that when my hon. friend first raised the matter I was not certain to what he referred. I think it was during the time when he was responsible for

the museum that certain funds were set aside for the purchase of sleighs, buggies and furniture which depicted the confederation period. I had not known of that, but those were in large part the materials which have created the confederation display of today and I think my hon. friend should be congratulated for the fact that his administration was sufficiently farsighted to provide for that several years ago.

Mr. Dinsdale: Mr. Chairman, my question has not yet been answered but I will reserve it for another occasion.

Clause agreed to.

Clauses 18 to 21 inclusive agreed to.

On Clause 22—*Report to Parliament.*

Mr. Lambert: I have one question for the minister. I should like a reassurance from the hon. lady that the report of the chairman of the board will be put before parliament and will be subject to examination by the public accounts committee. I recall that in 1958 or 1959 some questions were raised by the chairman of the Canada Council on whether the report of the council to parliament was properly subject to review by the public accounts committee. There was no insistence that it should not be but a doubt was raised about it. I should like to know whether the minister feels that any such doubt with regard to the report of the board has been removed and that quite properly the report of the board and the Auditor General's comments thereon shall be, in the normal course of events, subject to examination and discussion by the public accounts committee.

• (3:50 p.m.)

Miss LaMarsh: I believe there is no question that the board is subject to the usual reviews. The problem to which my hon. friend referred arose, I believe, from the rather special circumstances of the setting up of the Canada Council whose funds were initially and especially appropriated. It was not a matter of coming back to parliament. Only recently of course the Canada Council's funds have been augmented. There is no question about the fact this chairman's report will have to be to parliament and will be subject to the usual parliamentary and financial reviews.

Clause agreed to.

Clauses 23 to 25 inclusive agreed to.

The Chairman: The committee will now revert to clause 13.

[Miss LaMarsh.]

On clause 13—*Bylaws.*

Miss LaMarsh: With respect to clause 13, I am informed that what I had advised is correct. However if the committee wishes to pay remuneration, travelling expenses and living expenses to both the board and the consultative committee, I have no objection one way or the other. Originally it was provided that only the board would be paid.

Mr. Lambert: This is what we mean.

Miss LaMarsh: The board would be paid travelling, living expenses and remuneration, and that the consultative committee would be paid living expenses and remuneration? This is what the legislation says.

Mr. Lambert: But it doesn't.

Miss LaMarsh: It may be that the committee would prefer to have the clause read this way: Fixing remuneration to be paid members of the board as provided in this act, and travelling and living expenses to members of the consultative committee other than members of the board.

Mr. Bell (Carleton): Is the minister not depriving the members of the board of travelling and living expenses?

Miss LaMarsh: No; I said, fixing the remuneration of the members of the board, and travelling and living expenses.

Mr. Baldwin: If clause 12 is the governing clause, would it not be much simpler to say what you mean—fixing remuneration and travelling expenses to be paid pursuant to clause 12?

Miss LaMarsh: I am afraid I do not understand. I do not see anything wrong with clause 12. Then in clause 13, under paragraph (d), the same things which are provided under clause 12 could be incorporated in the bylaws of the corporation. Clause 12 provides for payment to members of the board under all three headings, and payments to members of the consultative committee under only two headings. Clause 13 says you can pass bylaws which fix the remuneration and travelling and living expenses to be paid members of the board as provided in this act.

Mr. Baldwin: That is pursuant to clause 12.

Miss LaMarsh: Then we have all agreed on what we want to have it say; and this is what it does say.

Mr. Baldwin: Since there is some ambiguity about it, I suggest we say in (d), referring back to clause 12 which is the governing clause, "fixing the remuneration, travelling and living expenses to be paid as set out in clause 12".

Miss LaMarsh: In order to arrive at some conclusion, I will be happy to accept that amendment if the hon. member will so move. As I understand it, the amendment will delete everything after the word "paid" in paragraph (d) and substitute the words "in section 12".

Mr. Baldwin: Since you may have difficulty in reading my writing, Mr. Chairman, the amendment would amend section 13(d) by deleting all the words after the word "paid" in line 36 and adding the words "pursuant to this act".

Mr. Bell (Carleton): With the greatest of respect, Mr. Chairman, if we pass this amendment we have put ourselves into difficulty. We would have now given the board the power, to pass bylaws fixing the remuneration of the various directors and officers. I fear this would be contrary to the other clauses passed earlier, which leave with the governor in council the power to set remuneration. I am afraid we would have to say "pursuant to section 12".

Mr. Baldwin: I am persuaded to go back to what I originally thought was correct and make reference to section 12 in the amendment.

Mr. Herridge: No wonder laymen cannot understand the law.

The Chairman: Order. It is moved by the hon. member for Peace River:

That section 13(d) be amended as follows:
By deleting all the words after the word "paid" in line 36 and by adding the words "pursuant to section 12".

Shall the amendment carry?

Amendment agreed to.

Mr. Barnett: I have a question I should like to ask about clause 13, particularly as it relates to clause 22 which we have already passed. This clause provides that the chairman of the board will provide a report of all proceedings under this act within three months after the end of the fiscal year. I presume the term "proceedings" as used in clause 22 would include a report on actions taken by the board to develop or to amend the bylaws. My question is for clarification as to whether or not these bylaws will be public documents. The board, with the approval of the minister, may make bylaws. If the reference had been to the governor in council, the bylaws would in effect be orders in council and would be published. I should like to know whether these bylaws will be published in the Canada Gazette when they are passed by the board and approved by the minister.

• (4:00 p.m.)

Miss LaMarsh: I do not know whether it is a practice in other corporations to publish bylaws; I have never seen published the current bylaws of the national gallery, but I see no objection to that. It might be sufficient if I asked the first chairman of the board, whoever that might be, to make sure that the initial bylaws are incorporated in the first report.

Mr. Barnett: If I might pursue my point, I do not think that the internal business conduct of the board ought to be a matter for publication. Instead I think the people of Canada ought to know what are the duties of the director and heads of museums. Paragraph (e) makes an oblique reference to this matter.

On an earlier clause we talked about the policy of lending exhibitions or art collections to local museums. My interpretation may be wrong, but could not a bylaw be developed, under the authority of paragraph (e), to set up the policy of how the board would deal with such matters? That would be of great public interest and would provide members of parliament and others with information about such matters.

Miss LaMarsh: Clearly, the minutes of meetings and similar proceedings would not be published. Any report which the board would make would have to do with its responsibilities in fields of research, with respect to travelling exhibits, and that sort of thing. It would deal with the purchase account and what had happened to it; what each of the galleries bought, and that sort of thing. That is the meat of any report which the board would make every year.

People do not like to read bylaws, and I do not see where information such as my hon. friend speaks of would be of benefit, if it were contained in any report which might be printed with any bylaw.

Mr. Barnett: From my experience, many acts that parliament passes do not contain in them general guide lines. Regulations govern agencies or departments of government. That

is the meat of the matter. Perhaps I am wrong in assuming that, in effect, the bylaws will be the regulations, as far as this operation is concerned. For example the regulations passed under the Aeronautics Act provide, publicly, details of the operation and administration of the act.

I am sorry, but I do not think the minister's answers were clear enough. I tried to make clear that I was not so much concerned with the internal business of the board. Often the real meat of any policy with respect to any such board is contained in an order in council.

Mr. Woolliams: An order in council is filed.

Mr. Barnett: Otherwise, we may wait for three months after the end of a fiscal year before obtaining a report on these matters. That is not satisfactory. We can always ask the minister questions in the house, when parliament is sitting; but we know the limitations of answers to questions asked on orders of the day. I am wondering, since in a manner of speaking this corporation is a public corporation whether provision has been made for the publication of bylaws to the extent that the board will deal with matters of public interest and concern.

Miss LaMarsh: I have never heard of any such publication. Perhaps other hon. members have.

Clause as amended agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

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

Mr. Churchill: By leave, now.

Miss LaMarsh moved the third reading of the bill.

Hon. R. A. Bell (Carleton): I intend to ask that this bill be passed on division. I do so to reiterate my grave concern that under this bill the national gallery may be done in the eye as the result of its being linked with the other museums. If there is any indication in the next few years that the national gallery has suffered by reason of this linking, I assure you, sir, that I shall be back to try to restore it to the status it must have in developing the life of this country.

Mr. H. W. Herridge (Kootenay West): I think it is only fair, and I am sure that regardless of their points of view all members in the opposition agree with what I have to say now, that we should express our thanks to the minister for her co-operation and willingness to accept amendments from the opposition side.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I rise to support the hon. member for Kootenay West. Also, replying to the remarks of the hon. member for Carleton, I think anyone who has special areas of interest might rise and express the sort of reservation he expressed. Since his remarks were so aptly put I wish to say that my reservations will be to see that the natural history museum does not suffer at the expense of the national gallery.

Hon. Judy V. LaMarsh (Secretary of State): So long as members of the house remain militant in protecting each of the museums and galleries, none of them will suffer.

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

Mr. Churchill: On division.

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

VISITING FORCES ACT

REPLACEMENT OF EXISTING LEGISLATION RESPECTING VISITING FORCES

Hon. Léo Cadieux (Minister of National Defence) moved the second reading of Bill No. S-3, respecting the armed forces of countries visiting Canada.

He said: Mr. Speaker, the basic purpose of this bill is to repeal the Visiting Forces (North Atlantic Treaty Organization) Act, the Visiting Forces (British Commonwealth) Act, and the Visiting Forces (United States of America) Act, and to replace them with one act which would provide for the rights, privileges and duties of the armed forces of any other nation when visiting in Canada. The Visiting Forces (British Commonwealth) Act was enacted in 1932 as a result of the Statute of Westminster. It provides for the privileges, immunities and duties of visiting forces from other parts of the commonwealth when in Canada. Reciprocal legislation was enacted by nations of the commonwealth to provide for Canadian forces visiting those countries.

• (4:10 p.m.)

During the second world war, with many United States forces visiting Canada their position was provided for by an order in council under the War Measures Act. When at the conclusion of the war it became apparent that United States forces would continue to visit Canada from time to time, the Visiting Forces (United States of America) Act was enacted. There is no reciprocal United States legislation as under the law of that country a visiting force automatically carries with it the right to hold courts martial, administer discipline, and so on.

In 1949 Canada became a member of NATO. One of the agreements entered into at the time by Canada was the agreement between the parties to the North Atlantic Treaty regarding the status of their forces. This agreement provided for the status, privileges and duties of the armed forces of one NATO country when in another NATO country.

Canadian legislation was required to approve and implement this agreement. The legislation known as the Visiting Forces (North Atlantic Treaty Organization) Act was enacted for that purpose in 1951. At the time this act was drafted it was foreseen that the armed forces of non-NATO states might visit Canada from time to time and that provision should be made for the status of such forces in Canada. This was done by providing in the act that forces of non-NATO countries could be brought under the act by the governor in council, designating the countries from which they came as associated states under section 5.

Since the visting forces of NATO act was passed, armed forces of many non-NATO countries, particularly the emerging African states, have visited Canada for training and other purposes. It is therefore felt that it is not appropriate that the forces of these non-NATO countries should have their status in Canada determined by an act of parliament designed to implement the north Atlantic treaty. The government therefore decided that it would submit to parliament for approval a bill repealing all the existing visiting forces acts and providing for visiting forces in a uniform way. I may say that this is the course that has been followed by the United Kingdom and most other NATO countries requiring such legislation.

Mr. Winch: Mr. Speaker, could I at this point ask a question of the minister. I notice that he at all times referred to visiting forces, and in particular made reference to United States forces. Could I ask him whether this bill applies strictly to what he termed visiting forces? Does the minister differentiate between a visiting force and those forces who, though non-Canadian, are stationed in Canada? For example, United States forces are stationed in three parts of Canada to control nuclear weapons and warheads in this country.

Mr. Cadieux (Terrebonne): I think there is a definition clause at the commencement of the bill. A visiting force means any of the armed forces of a designated state present in Canada in connection with official duties, and includes civilian personnel designated under section 4 as a civilian component of a visiting force. So I would imagine that they include these forces stationed in Canada. It would include forces in Canada for training, under some arrangement with the government. It also includes visiting forces to the country for a short period of time in the normal course of events.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, the three purposes that the bill will serve, as I see them, are all desirable. First of all, the three existing visiting forces acts are replaced by one act and this, as the minister said, will lead to uniformity of treatment as far as servicemen in forces of another country visiting Canada are concerned. It will also make for simplicity and is, I think, a reasonable and desirable step to take.

Second, the fact that any country can be designated for inclusion under the act and the servicemen of that country brought within the terms of the act provides for much greater flexibility. I think it is also an improvement of the situation and therefore something that should be approved.

Third, the inclusion of dependants under this bill will remove possible difficulties which could arise over the treatment of these dependants, and this is something I am also glad to see included within the provisions of the bill.

I have gone over the bill in detail and see very little in any of the clauses to which there is objection. Therefore I think it is desirable to pass the bill without undue delay.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, a moment ago I asked a question of the minister because I was anxious to receive an answer to my inquiry. However I hope that during discussion in committee the minister will give a further explanation.

Of particular concern to me is the position of United States forces who are not simply visiting Canada but are stationed in this country. I differentiate between visiting Canada and stationed in Canada, despite the definition the minister read in the bill.

Whether I like it or not, Mr. Speaker, by agreement we now have United States forces stationed in Canada. They are there because we have Voodoos and Bomarcs—there are two Bomarc stations in Canada—and U.S. officers have absolute control over nuclear warheads for this military hardware. At this moment I am not raising the question of United States control over warheads, but what is of concern to me is this: What exactly is the position of the United States officers who control the nuclear warheads for the Bomarcs and certain other armament for aircraft? Are they under United States martial control in any phase of their activities, or do they come under the supervision of Canadian authorities? Of this I am not yet certain. I realize they control the use of the warheads, but outside of their being stationed in Canada and not being described as visiting forces, are they subject, and subject only, to United States martial law and not Canadian law, either civil of military? I am not going to ask for an answer now, but I believe the minister will understand the clarification I desire, and I hope that at committee stage he will give an expanded answer.

• (4:20 p.m.)

Mr. Cadieux (Terrebonne): Mr. Speaker, I agree with the hon. member that—

The Acting Speaker (Mr. Tardif): Order. It is understood that if the minister speaks now he will close the debate.

Mr. Cadieux (Terrebonne): I just wanted to say that I agree that this question should be answered at committee stage, but I think I should point out to him that in talking about this exclusive control he is stretching the point a bit. This is a joint control of the warheads.

Mr. Winch: The Americans have the key control, do they not?

Mr. Cadieux (Terrebonne): It is well known that any decision to fire a nuclear weapon is taken following joint consultation, and must be a joint decision.

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

[Mr. Winch.]

On clause 2—*Definitions.*

Mr. Winch: Now may I have the clarification, and in asking for it I wish to say I have no intention of holding up the bill. I think I understand its basic principle, but I do know there is a joint agreement relative to the nuclear warheads which are now stored in Canada. I am told that the key control over their use rests in the hands of American officers stationed in Canada. The minister is shaking his head. I would point out that I have been on the defence committee for quite a while and have visited a number of countries with that committee, including some in Europe.

Although there may have to be a joint understanding as to a nuclear weapon being used, I know that in our own squadrons in Europe the key to the release mechanism of a nuclear warhead is kept in the hands of an American officer. Does the bill mean that Americans stationed in Canada will come only under their own American rules, regulations, courts martial or whatever, and in no way be obligated under our own Canadian civil or defence regulations and procedures?

Mr. Cadieux (Terrebonne): Mr. Chairman, the Americans stationed in Canada, to whom my hon. friend refers, are subject to American military law, the same as Canadian forces stationed in Germany are subject to Canadian military law. They are not exempted from the Canadian civil law. This is an agreement between two countries for the purpose of administering justice within a certain confined military field. This is an exchange, in which we apply the American law in the case of the Americans, the same as the Germans apply the Canadian law in the case of Canadians.

I understand the hon. member's concern about atomic weapons but, with due respect, I do not think that is relevant to this particular bill. When he mentions Americans being subject to American law, that is relevant to the bill.

Mr. Churchill: Later in the bill we come to the question of service people from other countries attached to Canadian forces. Are there two types? Are there service people in this country not attached to Canadian forces but serving here in an official capacity on behalf of their own country and in co-operation with Canada, and are there people in this country who are actually attached to Canadian forces? Are there these two groups?

Mr. Cadieux (Terrebonne): I am told there is only one case, that of British officers attached to Canadian forces. This is the only case where that applies.

Mr. Churchill: Then there are Americans here as visiting forces, but they are not attached?

Mr. Cadieux (Terrebonne): Not attached.

Mr. Churchill: In order to have it on the record, may I ask the minister how many service personnel, from a designated or associate country, there are in Canada at the present time, either visiting or attached? Also, how many Canadians are serving in other countries, either as visiting forces or attached to the forces of those countries?

Mr. Cadieux (Terrebonne): I would have to request the patience of the hon. member until this statistical information can be secured.

Mr. Churchill: The reason I asked this on clause 2 is that I know how rapidly the department acts, and I know that by the time we reach the last of the clauses the minister will have that information.

Mr. Cadieux (Terrebonne): Thank you for the compliment.

Mr. Johnston: Does the bill set up two classes of possible deserters from the American armed forces, such as an American attached to a visiting force who deserts within Canada, and an American who deserts in the United States and comes to Canada seeking political refuge?

Mr. Cadieux (Terrebonne): I believe, in the hypothetical case mentioned, that it would. Actually we are dealing here with people serving in Canada. In the case of a soldier seeking refuge in Canada, having deserted in the United States, I believe he would be dealt with under another jurisdiction, probably the Immigration Act.

Mr. Johnston: Under clause 10, for example, we could have the Canadian forces making every effort to apprehend a deserter from the American forces within Canada, yet an entirely different approach would be taken with respect to someone who had deserted elsewhere and then entered Canada.

Mr. Cadieux (Terrebonne): I believe clause 10 says very specifically that it would be on the request of the commanding officer of the unit in question. In the hypothetical case submitted by the hon. member I presume this would not be at the request of the commanding officer, and therefore this bill would hardly apply.

• (4:30 p.m.)

Mr. Forrestall: Mr. Chairman, the point in which I am interested pertains to subclause (1) of clause 12 of the bill, which deals with the police functions of visiting forces. I would hope that the minister might consider this now and give us a clarifying statement when we reach that clause. Would the minister clarify the position of a member of the military police of visiting forces, such as we have in Halifax. If such a person is involved in what we now understand to be capital murder, what is the status of a Canadian citizen who might be involved in perpetrating a capital crime on such a visiting policeman?

Mr. Cadieux (Terrebonne): Mr. Chairman, I understand that the hon. member is asking that I answer this question when we reach clause 12.

Mr. Forrestall: My purpose was to raise it now so that the minister could think about it and answer the question later.

Mr. Winch: Mr. Chairman, I should like to ask for further clarification of a matter in respect of a visiting member of the armed forces. Sometimes we have visits from warships of other countries. This year in particular we have had official visits from warships. However, let us take the situation which occurred this year in respect of an official visit to the port of Vancouver when, unfortunately, certain irresponsible individuals broke Canadian law. When they appeared in court they were released on the word of their commanding officer that they would be returned to Canada later to face trial; but they never returned. Just what is the situation in respect of a person who breaks the Canadian civil law while on an official visit? I am in support of this bill in priciple, but there are these little problems which we should like to have clarified. How is the law interpreted in a situation of that kind?

Mr. Cadieux (Terrebonne): My understanding is that he is not exempt from the Canadian law. If such a person breaks the Canadian law he is subject to that law. I do not see any problem in this regard. If a member of a visiting force breaks a Canadian law, the Canadian law can be applied.

Mr. Winch: What about the situation in Vancouver this year where a commanding officer said that the men would be returned for trial? The men in this case never did return for trial.

Mr. Cadieux (Terrebonne): I am sorry. I cannot comment on that. I do not know of the incident in question.

Clause agreed to.

Clauses 3 to 9 inclusive agreed to.

On clause 10—*Arrest.*

Mr. Walker: Mr. Chairman, there does not seem to be any reference in this clause to the situation of a member of a visiting force who may wish to become a political refugee or who may seek political asylum in this country. My interpretation of this clause—and I hope I will be corrected if I am wrong—is that if the officer commanding a visiting force requests the Canadian defence authorities to arrest a member of that visiting force, we are required to do so, or we may do so. It does not say that the man must be guilty, but he is deemed to be guilty of some offence. Where does this leave the political refugee who seeks asylum while in Canada?

Mr. Cadieux (Terrebonne): My understanding of this clause, Mr. Chairman, is that the minister may from time to time by general or special order direct the officers and men of the Canadian forces in this regard. So there is discretion. I would think that in a case of this nature the minister could use that particular discretion. He does not necessarily have to comply with the request of the commanding officer.

Clause agreed to.

Clause 11 agreed to.

On clause 12—*Police functions.*

Mr. Walker: Clause 12 gives the visiting police force a pretty broad authority to go anywhere and exercise policing functions. Do they require search warrants if, for instance, one of their men has taken refuge in a private Canadian home? Are the visiting officers required to follow the same procedures Canadian authorities would have to follow?

Mr. Cadieux (Terrebonne): My understanding is that they go according to the prescription of their own law. They actually apply their own law here within Canada. This is what the bill enables them to do.

So far as the query of the hon. member for Halifax (Mr. Forrestall) is concerned, the military police of a visiting force can only exercise the police powers of arrest over other members of the visiting force. However, all members of a visiting force have the ordinary powers of arrest that anyone in Canada has. They can arrest anyone who is committing an offence. This is contained in sections 434 and 436 of the Criminal Code. Section 434 reads as follows:

> Anyone may arrest without warrant a person whom he finds committing an indictable offence.

Then section 436:

> Anyone may arrest without warrant a person who, on reasonable and probable grounds, he believes (a) has committed a criminal offence—

I hope this clarifies the situation.

Mr. Forrestall: I do not wish to prolong this debate, Mr. Chairman. However, what I am curious about is the protection given to the man who, while under his own law, is a police officer or peace officer, and who may be killed by a Canadian citizen while in the discharge of his duties here in Canada. Dealing in terms of the bill which we had before us recently, is the Canadian citizen in the position of having committed a capital crime, and therefore subject to the death penalty.

Mr. Cadieux (Terrebonne): I understand that the hon. member is asking about a police officer of a visiting force who may have committed a murder in Canada.

Mr. Forrestall: No, Mr. Chairman. I am referring to a police officer of a visiting force who is murdered in Canada. What is the status of the Canadian citizen who perpetrates that crime?

Mr. Cadieux (Terrebonne): I do not see any problem in that regard. The Canadian citizen is subject to the Canadian law. Therefore, if he has killed a police officer it would be for the judge to decide how to apply the law. I believe the position in respect of such a person is very clear. The Canadian committed an offence against a Canadian law.

• (4:40 p.m.)

Mr. Winch: If the hon. member for York Centre had not raised this question I intended to do so, for clarification. I am intrigued by this same matter because, unless I misunderstood the minister, it is very disturbing. My understanding of what the minister said a few moments ago in answer to the hon. member's question is that a member of the military police of a visiting military force may enter a home in Canada without a warrant. That is the impression I gained

from what the minister said, and I believe the member for York Centre has the same impression. If that is correct, we had better stand here for some time and talk a little bit about this situation. We do not allow these people in our own country to enter Canadian homes and make arrests without warrants. I hope the minister will clarify this situation, because no visiting military police from another country should have authority in Canada to enter a Canadian home or make an arrest without a Canadian warrant. I hope this will be clarified.

Mr. Cadieux (Terrebonne): There are two things involved. I do not recall the hon. member for York Centre suggesting that military police from a force visiting Canada could enter a home here without a warrant. I understood him to ask whether such an individual could arrest someone without a Canadian warrant, and I said that he would have to comply with the laws of his own country.

Mr. Winch: He would have to comply with the laws of his country, but not with our laws?

Mr. Cadieux (Terrebonne): He would have to comply with his own military law in respect of his own people, and that is what we have said from the beginning. My answer to the question as to whether a military policeman of a visiting force can enter a Canadian home in search of one of his own force members without a warrant is that he cannot. To do so would be an invasion of Canadian law, and we have provisions which require that such an individual must have a warrant or be accompanied by a Canadian police officer. This is how the situation would be handled.

Clause agreed to.

Clauses 13 and 14 agreed to.

On clause 15—*Claims against designated states.*

Mr. Brewin: As a matter of interest I should like to ask how this clause works. It seems to suggest that if a member of a visiting force commits a tort or wrong within the scope of his duties he is deemed to have committed an offence as a servant of the crown under the Crown Liability Act. Presumably the crown is then liable to anyone who has been damaged or has suffered loss as the result of the commission of such act. Is there any provision or arrangement whereby, if the government of Canada has to pay out money in such a case, it can recover from the country whose visiting force is in Canada?

Mr. Cadieux (Terrebonne): This is derived from an arrangement within the NATO agreement. Under that agreement Canada is obliged to process claims against visiting forces in Canada in the same manner as in respect of claims arising out of the activities of our visiting forces outside Canada. This country assumes 25 per cent of the cost of settling such claims, and the country of the visiting force assumes 75 per cent. For the purposes of the Crown Liability Act, this clause would require the country of the visiting force, and its members, to be in the same position as the Canadian force, and its members, and would deem the property of the visiting force, in particular motor vehicles, to be owned by the crown.

The present wording restricts visiting forces liability to subsection 1 of section 3, and therefore prevents the application of subsection 2, which states that the crown is liable for damages sustained by reason of a motor vehicle owned by the crown being operated on a highway, in respect of which the crown would be liable if it was operated by a private person of full age and capacity. In order to put visiting forces in the same position as Canadian forces, thereby implementing Article VIII (5) of the NATO forces agreement, the opening words of clause 15 are not restricted to a particular section or subsection of the Crown Liability Act.

Mr. Brewin: I am not sure I heard the minister correctly. Did he say that the Canadian government pays 25 per cent and the foreign government of the visiting force pays 75 per cent; and does that include the judgment as well as costs?

Mr. Cadieux (Terrebonne): This would include all costs.

Mr. Brewin: Is there a similar provision applicable in countries in which Canada has visiting forces?

Mr. Cadieux (Terrebonne): Yes, and I am given to understand that the same applies.

Clause agreed to.

Clauses 16 to 20 inclusive agreed to.

On clause 21—*Exception.*

Mr. Harkness: What is the significance of section 13 of the Official Secrets Act, which does not apply in respect of a designated state?

Mr. Cadieux (Terrebonne): The explanation is that section 13 of the Official Secrets Act makes certain acts committed outside Canada triable in Canada, in so far as the security of Canada is concerned. It is not considered appropriate or necessary to extend this protection to visiting forces present in Canada.

Mr. Harkness: In other words, any breach of security by a member of a visiting force could be tried in the country of that force?

Mr. Cadieux (Terrebonne): Yes.

Clause agreed to.

Clause 22 agreed to.

On clause 23—*Service vehicles.*

Mr. Deachman: Before this clause carries I should like to ask about the licensing of vehicles. I note that this clause exempts the vehicles of visiting forces from registration or tax or fee payable in respect of vehicles. What is done to enable police to identify these vehicles? I note that national defence vehicles in Ottawa carry a brown coloured licence plate. What is done specifically for identification purposes in respect of United States vehicles used by its forces stationed in Canada?

Mr. Cadieux (Terrebonne): I must confess that I am stuck for an answer. I do not know.

Mr. Deachman: I note that this is not a revision of a former clause, but simply a renumbered clause. Perhaps the answer will be available this afternoon, before we complete our consideration.

• (4:50 p.m.)

Mr. Cadieux (Terrebonne): I shall certainly try to get it on time.

Clause agreed to.

Clause 24 to 26 inclusive agreed to.

On clause 27—*Application of section.*

Mr. Churchill: Mr. Chairman, we are now getting close to the end of this bill and I wonder whether answers are ready to the questions I put forward.

Mr. Cadieux (Terrebonne): I am still waiting for the accurate figures, Mr. Chairman. The hon. member is dealing with figures and I should therefore like to have figures that are as accurate as possible. I am sure he understands the difficulty raised in his questions. I believe the hon. member has two sets of figures, and it is difficult to arrive at an accurate answer.

Mr. Churchill: I thought the minister had the answer at his fingertips. I will wait until we deal with clause 1.

The Assistant Deputy Chairman: Shall clause 27 carry?

Mr. Churchill: Mr. Chairman, the word "temporarily" occurs in clause 2(a). I suppose there is no change here from the earlier acts. What is the practice in this regard? Does "attach temporarily" refer to a period of weeks or months, or does it go beyond this?

The Assistant Deputy Chairman: Shall clause 27 carry?

Mr. Churchill: I am still waiting for an answer to my question, Mr. Chairman.

Mr. Cadieux (Terrebonne): This provision applies particularly to British officers who would be attached to Canadian forces for an undetermined period of time, which could be a month, six months or a year.

Clause agreed to.

Clause 28 agreed to.

On Clause 29—*Repeals.*

Mr. Churchill: Mr. Chairman, I have a question on clause 29(2). I was looking at the north Atlantic treaty the other night. Will it be reprinted as an adjunct to this act, or does clause 29 mean it will stay as it is now, and as varied elsewhere, and that it will have to be referred to by searching in the back files?

Mr. Cadieux (Terrebonne): I am sure it could be found in the regular documents of the Department of External Affairs. It is not the intention to print it with this bill, because the present bill supersedes it. Actually it is a combination of the three bills already in existence and is covered by the clause in this new bill.

Mr. Churchill: I was looking at the statute last night. I do not have it here, but it appeared to me that this was attached as a schedule to the original act. I ask the minister, where will it be in the future? Where will it appear in the revised statutes, if it does appear there?

Mr. Cadieux (Terrebonne): Mr. Chairman, I am told it will not be in the statutes but will be attached to the treaties of external affairs, because it is part of a treaty that has

been negotiated. We are covering it differently, with a bill encompassing all the situations in Canada.

Mr. Churchill: Mr. Chairman, where does one go to get these external affairs documents? I have here a note that this was a schedule attached to the bill. It is an 18-page schedule. The north Atlantic treaty may be up for review, of course, and it should be readily accessible. I was wondering whether the department had given some thought to this matter.

Mr. Cadieux (Terrebonne): I am told it is referred to as a treaty series and it is readily available to any hon. member at the Department of External Affairs.

Mr. Walker: Mr. Chairman, in connection with clause 12, which prescribes the powers of a member of a visiting force in exercising police functions, and the power of arrest, can the minister assure us that such a person is not given powers in excess of those granted to Canadian police officers in the pursuit of their duty? I see that these powers will be prescribed by regulation and I should like to be assured that the regulations spell out that no more power is granted to a visiting police officer than is already granted to a Canadian police officer.

Mr. Cadieux (Terrebonne): I have been referred to Queen's Orders and Regulations which say that a member of the military police of a visiting force may, in relation to any member of that force—therefore it applies only in this particular case—exercise the same police function as a police officer authorized by the Criminal Code, but only in relation to any member of that force.

Mr. Walker: I realize that, Mr. Chairman, but if a member of the visiting force is in a Canadian home, what is the situation?

Mr. Cadieux (Terrebonne): He is authorized to act only in accordance with the provisions of the Criminal Code of Canada. Therefore he has no special status.

Clause agreed to.

On clause 1—*Short title.*

Mr. Churchill: Mr. Chairman, I do not want to hold up the proceedings on this bill. It is the only defence bill we have had in the last four years with which we have been able to deal without controversy in some quarters of the house. The difference between this minister and his predecessor is so astonishing that I feel somewhat cramped in style.

Mr. Cadieux (Terrebonne): I am beginning to worry.

Mr. Churchill: If this minister, who is so agreeable, will give me the information asked for at some subsequent date—

Mr. Cadieux (Terrebonne): I will.

Mr. Churchill: —I will have no objection to passing the bill right now.

Mr. Cadieux (Terrebonne): I will with pleasure, Mr. Chairman, seeing the engaging smile of the hon. member, commit myself to bringing him this detailed and precise information in record time.

Clause agreed to.

Title agreed to.

Bill reported.

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

An hon. Member: By leave, now.

Mr. Cadieux (Terrebonne) moved the third reading of the bill.

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

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask from the house leader the forecast for next week.

• (5:00 p.m.)

Mr. MacEachen: Mr. Speaker, on Monday and Tuesday we will consider the resolution amending the Industrial Relations and Disputes Investigation Act; then the divorce resolution, followed by the second reading of the bill respecting the boundary between the province of British Columbia and the Yukon and Northwest Territories then the second reading of the Publication of Statutes Act; the committee stage of the C.N.R. bill; the resolution to amend the Historic Sites and Monuments Act and the resolution to amend the National Parks Act. Regardless of any progress that may be made on these items of legislation, we propose to resume the budget debate on Wednesday, and the purpose in introducing these resolutions is so hon. members will have an opportunity to see the bills at an early date.

Mr. Bell (Carleton): Mr. Speaker, once the budget debate is started will it be carried on consecutively?

Mr. MacEachen: It is too far in the future to state with any assurance that that will be so.

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

CANADA ELECTIONS ACT

MEASURE TO REDUCE VOTING AGE TO EIGHTEEN YEARS

Mr. David MacDonald (Prince) moved the second reading of Bill No. C-14, to amend the Canada Elections Act (age of voters).

Mr. Churchill: Mr. Speaker, I should like to raise a point of order before we proceed with the bill. My recollection is that the house dealt with the age of voters about three weeks ago, and here we are presented with the same problem again. There may be other resolutions or bills on the order paper dealing with the same topic. I suggest to the Chair that it appears from my study of the order paper that 6, 10 or 20 hon. members could put on almost identical bills or motions referring to the same subject with regard to the reduction of the age of voters from 21 to 18, and there would then be no limit to the number of occasions on which this matter would be brought before the house.

I think this is not the intention in arranging the business of the house, and I should like to have some clarification on that point because I have a distinct recollection of entering into a debate on this matter just three weeks ago.

Mr. MacDonald (Prince): Mr. Speaker, I rise on a point of order. The hon. member for Winnipeg South Centre is quite correct in saying that this matter was dealt with in the private members hour on November 3 last, but as I recall it—I was not in the house on that occasion—the debate was not resolved; it had not come to a vote. Therefore the matter is in some ways still before the house. I think the hon. member is also right in suggesting there are a number of bills on the same subject. There are five bills which, although they vary somewhat, essentially refer to the same subject. The reason there are so many bills is the fact that there is great concern on all sides of the house that this matter be resolved at the earliest possible moment.

Mr. Cowan: Mr. Speaker, may I speak on the point of order that has been raised by the hon. member for Winnipeg South Centre. I should like to point out that the hon. member for Prince has a precedent for what he is doing. I will not say it is a good precedent but it is there. In April of 1966 the house settled once and for all the question of capital punishment in a free vote. Nevertheless it was brought back inside of 18 months by a so-called government bill which was resolved by a free vote. So the hon. member for Prince has a precedent on which to hang his argument in opposition to the hon. member for Winnipeg South Centre. As I said before, it is not a good precedent, but it is one.

An hon. Member: This is one way to hang the hon. member for York-Humber.

Mr. Deputy Speaker: The Chair recognizes the importance of the point of order raised by the hon. member for Winnipeg South Centre. When a similar subject was discussed at an earlier date no decision was reached, but I do recognize that there is a problem. Perhaps the house would permit the debate to proceed at this particular time, and in the meantime I will have a discussion with Mr. Speaker and the table officials concerning this matter. Would the house so agree at this time?

Some hon. Members: Agreed.

Mr. MacDonald (Prince): Thank you, Mr. Speaker. May I say before making my few remarks with regard to the subject matter of the bill, that I think the house could resolve this problem very easily if the government were to take the initiative of referring this, along with other bills—and even the notices of motions, of which the hon. member for Winnipeg South Centre (Mr. Churchill) could also have indicated there are a number—to the committee on privileges and elections, thus ensuring that serious consideration beyond the general debate which takes place during the private members hour could be given to this matter.

I think the hon. member for Winnipeg South Centre would agree that this is a matter on which the house is a good deal behind the rest of the country. There are only about four provinces left in Canada now which retain the voting age at 21. Three provinces, including my own province of Prince Edward Island, have now lowered the voting age in

provincial elections to 18, and three others have lowered theirs to 19. I could reel off a list of countries which allow voting at the age of 18, so we are not exactly pioneering when we presume to suggest that in our wisdom we in Ottawa might decide that it is time for people at the age of 18 years and over to have the responsibility thrust into their hands to cast their ballots on election day.

The hon. member for Winnipeg South Centre could also have suggested that possibly there is no issue which has been debated more in private members hour and in adjournment debates, or on which more questions have been asked in the question period, than whether or not the voting age is to be lowered. I believe I could point to at least a dozen definite specific times in the last six or seven years in which a debate has taken place on which there has been general agreement.

One might well ask why it is we have taken so long to deal seriously with this problem. Since I am a relatively new member in the house it is not possible for me to recall in person the various meetings of committees which have dealt with this subject, either in a general way or in detail, but I think I recall correctly that three or four years ago the committee on privileges and elections did suggest in its report that the voting age should be lowered to 18. If one committee of the house, meeting at an earlier time, has felt favourably disposed toward this issue, why is it that we are taking such an extremely long period of time in dealing with this problem?

I for one find it difficult to find any real explanation. It seems to me that there is no clearcut delineation in the whole matter of deciding when a person becomes mature or responsible.

Miss LaMarsh: It may not be at the same time.

Mr. MacDonald (Prince): Of course it would vary to a great extent, depending on the specific individual involved. But in our provincial jurisdiction there seems to be a good deal of difficulty with regard to the legal responsibility that people have in our Canadian society. Recently I was questioned by one of my constituents as to whether it would be a sensible and proper thing to advocate the lowering of the voting age to 18, while at the same time saying little or nothing about legal responsibilities. I thought it was an extremely good question because if we are asking for certain rights and privileges, by the same token we should also accept the responsibilities which come hand in hand with those rights.

When one tries to discover any universally accepted age of responsibility, he encounters a veritable legal jungle, and I am not even at the stage of a trooper when it comes to beating my way through the jungles of difficulties respecting legal responsibility. I do know there are various ages at which responsibility does occur for people in our society.

• (5:10 p.m.)

In most provinces at about the age of 16 one can obtain a licence to drive a car, which can be either a vehicle for pleasure or one that can do considerable damage. In most provinces, somewhere between the ages of 16 and 21, you can take the important step of joining in matrimony with some person. In most cases today, I think you can join the armed forces at the age of 17; and shortly thereafter, because you are a member of the armed forces, you can exercise the democratic right to vote.

There is a great deal of fog and confusion about this whole question. Perhaps our job here this evening is to try to point out what seems to me to be the basic difficulty many people in our society have today in determining whether we should be granting voting privileges at 18. I believe the heart of the difficulty is this: Many people are concerned about whether or not young people should be given this privilege to vote at age 18, because it is not taken for granted they are going to act responsibly. This is an intriguing argument, and of course it is used for a variety of situations.

From time to time, as a person grows toward maturity and adulthood, it is suggested that he is not yet responsible enough to have this or that particular privilege which may be open to him. I suggest that this is an extremely weak argument upon which anyone should base his opposition to a reduction in the voting age. It would seem to me that argument could be turned around and used against anyone who thinks it has validity. I suggest to hon. members that if young people from the early teenage years who now have access to so many facets of society are not responsible, and therefore should not be given the opportunity to vote, we must be very fearful of that situation. I suggest we cannot afford to have young people growing

up who are not learning to be responsible by participating in the democratic process. I suggest to you, sir, that the people who are most irresponsible in our society have never really learned that to vote today is not so much a privilege as it is a responsibility.

If we talk about voting only in terms of its being the particular privilege of individuals in our society, we have lost one of the most important aspects of participating in the democratic processes available to us in our own country. It has always seemed to me that real enlightenment does not come until people become responsible, and that the sometimes erratic judgments people make of issues that are raised, and the opinions that they hold, are very largely the result of a lack of responsibility and a lack of participation. From time to time one hears suggestions and criticisms by newspapers and others about the lack of responsibility amongst members of this house. I think it would be interesting if we could allow the various editors and publishers of newspapers across the country the opportunity to sit in the house, and to function as living, breathing members of parliament for a period sufficiently lengthy to enable them to gain enlightenment about the responsibility resting upon a member of parliament in this place.

It seems to me, if one could use that analogy, the same thing has to happen if we are going to obtain more responsible democracy. We must allow more and more young people to participate early in the democratic processes. We have come to the conclusion somehow that there is really only one way in which people participate in the democratic process, and that is by going to the polling booth on election day to cast a ballot. We have deluded ourselves, Mr. Speaker, if we think that is the only aspect of participation that is really important. Anyone who has studied the history of civilizations knows that very often some of the most important things that happen to a society bear no relationship to the actual, recognized function of choosing or not choosing governments and representatives. If we are afraid to entrust young men and young women at the age of 18 with the exercise of responsibility at the ballot box, then we should be very fearful indeed of the great influence these people are already having on many of our social structures today.

I say to you, sir, it is inconsistent for us to establish the Company of Young Canadians or to send young people all over the world as representatives of either state organizations or church organizations, and then at this juncture say to them that this is where their responsibility ends. This kind of inconsistency, I am sure, flys in the face of many young people, and to which they can only reply, "Sham".

I do not plan to take up a great deal of time this evening because I am hopeful that we can either conclude the debate in this hour and have the bill passed—I am sure hon. member for Winnipeg North Centre (Mr. Knowles) will agree with that—or else save the precious time in private members hour that might be spent in discussing this measure by referring it to the committee on priviliges and elections. If that is impossible because the committee has not been constituted, perhaps we could have some real commitment from a representative of the government toward this end. I believe it is the wish of members on every side of this house that we take action now in this parliament, so the next time a federal election is called all adults beyond the age of 18 will participate fully in that election.

I should like to quote a speech made by one member of this house on July 14, 1960, as reported at page 6277 of *Hansard:*

> There is a great deal to be said in the circumstances of today for the reduction of the voting age from 21 to 18, and most of the major arguments in favour of such a change were given by the hon. member for Assiniboia. The argument which I think must make the greatest appeal is that we do not hesitate as a state to call on young people to fight for our country and, if necessary to die for our country, as thousands under the age of 21 have done. We ask them to accept the supreme obligation of citizenship in this regard, irrespective of whether they are 21 or 20 or 19 or 18, so it seems to me that if we ask Canadians to take on that obligation the time has come when they should have the privilege of voting so they may do their share in determining the policies which might affect the situations in which they would be asked to share in this supreme obligation.

I agree with the words of the hon. member.

Mr. Churchill: What is the name of the hon. member?

Mr. MacDonald (Prince): Right Hon. L. B. Pearson and I believe at the present time he is acting in the capacity of Prime Minister of this country. It is my belief he is of this same opinion today. Someone may interrupt and suggest that while he was in opposition he might be inclined to say one thing, and say something different when he is in office. Let me quote from some remarks he made while in office on November 18,

1963. I shall read into the record the question asked by the hon. member for Danforth (Mr. Scott) and the reply of the Prime Minister as recorded on page 4858 of *Hansard* for that date:

I have a question for the Prime Minister. It arises out of the report in the newspapers of this morning that the right hon. gentleman expects to introduce legislation reducing the voting age from 21 to 18. I have such a measure standing in my name, being Bill No. C-60. I wondered whether the right hon. gentleman would consent to having this transferred to a government order, thereby saving the time and trouble of our overworked staff in preparing legislation.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, this party has been committed to the reduction of the voting age to 18 years of age for some years, and we are anxious to see that it is done as quickly as possible.

• (5:20 p.m.)

That was "as quickly as possible" on November 18, 1963, slightly over four years ago. I trust that the hon. gentleman and his associates will move as quickly as possible to see that necessary action facilitated.

Mr. Pepin: It is next on the list.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have no hesitation in entering this debate, because this is the first occasion on which an opportunity has presented itself for me to express my views on a subject which is of more than academic interest to many in Canada.

I wish to congratulate the hon. member for Prince (Mr. MacDonald), the mover of this bill which is to amend the Canada Elections Act and lower the voting age from 21 to 18. That is a worthy objective, more especially since the hon. member himself is one of the younger members in the house. I extend to him my congratulations and good wishes. This bill is timely. I have reason to believe that this matter will be under active consideration by the government, if not during the present session, then certainly early in the new year. In any event, I am all for the principle of the bill.

One would have to take into consideration whether the 18-year-old is really interested in voting. Much to my disappointment—and no doubt the hon. member was disappointed—during the recent Ontario provincial elections qualified students at Lakehead University failed to be really interested in the elections, and only 27 per cent of those eligible turned out to vote. Similar experiences were found in other Ontario universities, and this brings the question of whether it is really worth while extending the franchise to include boys and girls of 18 years of age.

One explanation for the apparent lack of interest of university students in the issues of the Ontario provincial elections was that some students did not know about transfer arrangements, in spite of the wide publicity and appeals made on the campuses to register. For example, it was reported that at Glendon college, Toronto, the returning officer reported that special enumerators sat nearly all day in a room on the Glendon campus, and that of an estimated 60 eligible students, exactly 12 registered, or 20 per cent of those who could have qualified.

I am told that some student leaders suggested that the lack of interest was due to a dull campaign which focussed on uninteresting matters, including the future of Canada as a united country, and the crisis in housing. Why did not the probing students, who usually are very vocal on any and all political issues, ask questions about matters they care about?

One of our metropolitan dailies, in an interesting observation, reported that the oft reported leftist tendencies of university students led some to believe that the majority of students would vote for the New Democratic party candidates. On nearly all campuses in the province of Ontario the N.D.P. candidate ran third.

On the other hand, I believe that in the majority of cases an 18-year-old can be sufficiently responsible to express an intelligent opinion by means of the ballot box. In an election, every adult has one vote; as everyone knows, he has a direct influence on the outcome equal to that of every other elector. Degree of interest and intelligence are not taken into consideration. Such a system assumes the exercise of the suffrage by every qualified citizen; that is, it assumes the total involvement of the population in self government. Hence, voting entails a considerable responsibility as well as a privilege.

The franchise should theoretically be granted to every citizen. In practice, however, the application of this principle is not feasible. Obviously babes in arms are not capable of voting in an intelligent or responsible manner. The purpose of imposing qualifications on suffrage, then, is to limit to mature citizens participation in the collective decision. But, one may ask, who are "mature citizens"? Is there an examination which proves maturity? If so, is anyone capable of administering it? In the absence of both we have accepted the need for establishing some

indisputable criteria which are related to mature judgment.

Age is beyond dispute and, to a degree, is correlated with maturity. So despite such objections as the fact that different people mature at different rates, and that there is little difference in an individual's maturity between his twentieth and twenty first year, the arbitrary age criterion has been accepted as necessary for practical considerations.

The next logical question is as to the age at which suffrage should be granted. The lack of consensus on this matter is evident in the fact that of the ten provinces of Canada, four—Nova Scotia, New Brunswick, Ontario and Manitoba—have adopted 21 as the voting age; the three provinces of, Newfoundland, Alberta and British Columbia have adopted 19 years, and the three provinces of, Prince Edward Island, Quebec and Saskatchewan have adopted 18 years. The federal voting age is currently 21 years.

Hon. E. C. Manning, premier of Alberta for the past 27 years, has this to say of young people:

> The younger generation of Canadians is capable of political thought and action at a level of maturity much higher than that characterizing party politics in this country at the present time. Youth today is quick to detect, and is strongly repulsed by sham and superficiality. Young people who are looking for purpose, conviction, inspiration, and leadership in matters of private and national concern will not, nor should be expected to, be satisfied by gimmicks and slogans, cliches and promises, and slick but shallow promotional campaigns. There will be little room in the Canada of tomorrow for elections without issues, politicians without philosophical standards, parties without relevant policies, or citizenship without definition and purpose.

I feel that the lowering of the voting age should be accompanied by a program to increase political education. What is at present being taught in our high schools about civic responsibilties is not adequate, and I would suggest a course in citizenship and politics to give students greater knowledge of their responsibilities.

• (5:30 p.m.)

When considering amendments to and revisions in the Canada Elections Act, to eliminate discrepancies and discrimination in our present regulations, the necessary provision for patients confined to hospitals to cast their votes in a federal general election is of primary importance.

An active general hospital presents a problem. Very few patients are in hospital as long as six weeks, in which event it would become necessary both to enumerate them and to have them vote in a hospital poll. Of the few who are, it is usually impossible to predict which ones will be in hospital on election day, and therefore as far as I know none were enumerated in the last several elections. Some did remain in hospital through the enumeration and into the election period, and were therefore disfranchised. They may have been enumerated at their homes, and would have voted at their home polls if it had been physically possible. I presume the spouse at home might well have included the one in hospital in the residential enumeration. Most other patients were at home at enumeration time, but were admitted to hospital later. Neither group can vote in the hospital, although a poll is set up there to handle the few student nurses and other personnel living in hospital residences. The exception to this is the candidate's right to appoint two agents to vote in the poll and to represent him there.

There has been talk of a permanent voters' registry for all people. This would solve the problem, but it will likely take a long time and may be impossible. It is not an excuse for delaying action to protect the franchises of several specific groups. This measure can deal with hospital patients; other measures should be introduced to deal with university students, especially if the trimester system of university education becomes widespread.

It should be relatively easy to establish a solution for patients living in the same riding in which they are hospitalized. A simple method that occurs to me would be for the returning officer to contact the other poll by phone, and satisfy himself that this particular person was entitled to a vote. However this is not good enough to ensure against fraud and illegal voting.

Someone would have to obtain a slip from the district returning officer in the person's original poll. This could be delivered to the hospital in-patient, who would then present it to the district returning officer in a poll located in or adajcent to the hospital. One assumes he would be physically able to travel inside the hospital to the polling booth. A good number, perhaps 50 per cent are able to do so.

For those living in Fort William, for example, and then requiring hospitalization in a university centre such as Toronto or Winnipeg, the difficulties are rather formidable. The same system could be used; but the patient might find it more difficult to be sure which candidate was the better one, or the best one. It would also require making an

application several days prior to election day, to allow for transmission of the slip from one district returning officer to another, via the patient. For those who might be living in the same city, but residing in one riding and staying in a hospital in another riding, the difficulties would fall somewhere between the situation I have already described. If a patient's relative, friend, or agent presented a request to grant the patient the right to vote in another poll, then the advance poll district returning officer could strike the name off the original poll list and issue a slip to this effect for transmission to the patient. The patient could then present the slip on election day to the district returning officer at the hospital poll.

I realize that this is not the object of the bill under discussion. Nevertheless I think that when considering any changes to the elections act these should include measures which will ensure voting facilities for every qualified voter, whether he is at home or temporarily in a health institution away from home.

To conclude, Mr. Speaker, I want to say unequivocally that I am in favour of the purposes of this bill, and if and when it comes to a vote I will certainly vote for it.

Mr. Barry Mather (New Westminster): Mr. Speaker, my remarks in support of this bill will be confined to three or four minutes in the hope that we can get some action to advance it beyond this stage.

The argument made so well by the hon. member for Prince (Mr. MacDonald), whose bill this is, touched, very well I thought on the point that today's young people are a mature group quite able to take part in the electoral processes of our country. The hon. member also said that in the interest of democracy the voting age should be lowered. I would add to that the fact that in the majority of our provinces the voting age is now less than 21 years, which is the voting age in federal elections, and it has been for many years.

I want to draw to the attention of members one other fact which seems to me to be relevant, and that is that 50 per cent of Canadians are now under 25 years of age. Another fact which struck me as interesting is that the average age of members of parliament is 50 years and six months. I suggest that there is a disparity between those two age groups which this bill, if it were endorsed, would lessen.

I would just add one other suggestion or bring one other fact forward in support of the bill. In his bill the hon. member for Prince, the hon. member for Kenora-Rainy River (Mr. Reid) in his, and my colleague from Springfield (Mr. Schreyer) in his, representatives of the three major parties, have all put forward the same proposition, that the voting age in the federal field be lowered to 18. I think, if I may make a suggestion, that action would be speeded up if in the event this bill were not sent to committee tonight, those hon. members got together and made an appeal to the administration to have the subject matters of all three bills referred to the committee on privileges and elections. However, I am hopeful that action will be taken on this particular bill, and I will therefore sit down and confine myself to these remarks.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I shall be very brief and will indicate the lively interest of the fourth party in the chamber in the subject matter that is now before us. I will not bother repeating any of the arguments that I put forward almost two years ago, when I made my maiden speech in this chamber, but would only point out that since that time absolutely nothing has been done to reform any part of the elections act. Two full years have passed, and we will be into another election with nothing done, unless some action is taken soon.

• (5:40 p.m.)

There has been no change in the age of voters, no change in the voters list, and no change in the rules and regulations relating to election expenses. There has been no change with regard to putting party labels on the ballots. In effect there has been no change at all. Is it any wonder that we find the provinces taking the initiative in holding a conference for the confederation of the future, and taking the initiative in almost every other field, when this chamber and this government seem totally paralyzed in effecting any of the necessary changes in this basic part of the democratic process?

I would urge that we pass the bill this afternoon.

Mr. Heath Macquarrie (Queens): Mr Speaker, I am not old enough to be repeating myself nor important enough to be quoting myself, but if I may forget myself for a moment I wish to say that I have in the past

spoken in favour of such a measure. I entertain the same views now as I did then. I come down very strongly in favour of the point of view enunciated by the hon. member for Okanagan-Revelstoke (Mr. Johnston).

I have frequently asked when the committee on privileges and elections will have referred to it the Canada Elections Act. It is in that committee that all these matters should be discussed. The age of voters is one of the most important sections in the elections act. It has been traditional for years and years that, after an election, that committee goes over the elections act with a fine tooth comb, and in doing so it often finds a lot of unpleasant bugs in the machinery. But we have allowed two elections to pass without referring the act to the committee. It is regrettable that this step has been so long delayed.

Having been exposed to the university community ever since I came to this house—that is where I came from to this house—I am convinced that in this age group from 18 to 21 we often find young people with a more enlightened interest in politics and public affairs than they have in later years when they become involved with concerns closer to their own business. I have the greatest respect for the perspective and judgment of the younger people. Indeed I believe the younger people of the country can detect a phony far more quickly than their elders.

In these electronic days I think we have a chance to bring about a greater involvement of our younger people in our political processes than ever before. Two important political events have demonstrated this in recent times. The Progressive Conservative conference of September brought about tremendous involvement. People realized politics is important. The Confederation of Tomorrow conference, which I had the honour of attending recently, caused, prompted and stimulated a great involvement. The world around us is there to be participated in, and I think we should open the avenues to fuller participation by those in the age group referred to so eloquently by hon. members who have spoken. I would say that immediate referral of these and other matters to the committee on privileges and elections is the way to proceed.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I also wish to take the opportunity of this debate to endorse the remarks of the hon. member for Prince (Mr. MacDonald), who proposed to enfranchise Canadian citizens of 18 years of age.

Throughout the years, we have seen on parliament hill several groups of students and, as the hon. member mentioned earlier, owing to our modern media of communication, such as television and radio, Canadians in general and, more particularly, our young people, are fully aware of what is going on here in Ottawa. However, they often realize their inability to make present decisions, but wish, nevertheless, to participate in our political activities. In my opinion, the proper procedure would be to enfranchise our young people as soon as they are 18 years old.

[*English*]

Mr. Speaker, in supporting the remarks of the hon. member for Prince (Mr. MacDonald) who has proposed this resolution, I would simply like to say that I think members from all political parties, Social Credit, N.D.P., Liberals and Conservative, have seen an increased activity in politics on the part of our younger citizens, and these not only at the university level.

The hon. member who just preceded me spoke of the university students who are taking a greater and greater interest in the political process in Canada. But I will go even further. I think some of the most dynamic and interesting audiences for politicians today are in our high schools. They are really turned on, if that is the new expression, in terms of being involved in political activities. Because of modern communications, radio and television, much more so than when I was in high school or even in my early years of college, the young people are taking a real interest in what is going on here in Ottawa.

But this is not good enough. I have said many times before—and I do not think I am being negative or too pessimistic when I repeat it—that there seems to be a faulty dialogue between the elected and the electorate, because we have not lived up to the expectations of many of our people. Through the new electronic media that put people in instant daily contact with what is going on here in Ottawa, there is a sense of involvement and a desire to participate.

I have already mentioned this when speaking in French. In the final analysis people realize that although they cannot have their hands on the levers of power, they do want to be consulted and participate in the decision making process. I think we can provide

this in no better way than by according the right to vote to the Canadian citizen of 18 years of age, who today is truly, and in a very positive way, involved in what is going on here in Ottawa.

I do not know if there are any statistics on the matter, but I believe more and more young people are visiting parliament hill. We see thousands of them here every year. There are hon. members present who have been here a lot longer than I, but it seems to me that the number of our young visitors increases every year. This is a good thing. It symbolizes the fact that there is this involvement, interest, and a desire to participate, and it again underlines the desirability of our moving forward as quickly as possible in this young country.

Statistics have already been given, but I do not think we should accord too much importance to them. We often draw a false line by talking about chronological age, dividing young Canadians from old Canadians, and saying we have such a such a percentage under 25, or under 30. I am not really interested in these statistics as such, and neither are many young people. But I do think the very general things I have mentioned here this afternoon underscore again and again the desirability of our according the right to vote to our 18-year-old citizens. If we do they will live up to their responsibilities in a dynamic, forward-looking country.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I welcome the opportunity to say a few words in support of the principle of Bill C-14 introduced by the hon. member for Prince (Mr. MacDonald). I am not going to take up the time of the house by repeating all the very constructive and conclusive reasons and arguments that have been presented as to why this bill should be passed and not talked out, but there is one point I do want to make. It is that Canada in time of war not only expects but demands that youth, 18 years of age and over, shall not only offer but give their lives for this country.

• (5:50 p.m.)

Therefore, Mr. Speaker, that being the established and recognized fact, it just does not make sense to me that anyone who is over the age of 18 years and wishes to live for his country should be denied the privilege and responsibility of voting for it. If we expect and demand that a person shall be willing to fight and die for his country if he is 18 years of age, then we should give him the right and responsibility of voting for his country if he is 18 years of age.

Some hon. Members: Question.

[*Translation*]

Mr. J.-P. Racine (Beauce): Mr. Speaker, I should first of all congratulate the member for Prince (Mr. MacDonald) for having introduced the bill now under consideration.

I want to tell him that as early as 1960, when I was about his age, I introduced a similar bill in the house. Let us say simply that youths, those who are 18 years of age, are far more advanced today than we probably were at that time, and that was one of the reasons why I introduced the bill in the house.

[*English*]

Mr. MacDonald (Prince): Mr. Speaker, may I ask the hon. member if he would permit a question?

Mr. Racine: Certainly.

Mr. MacDonald (Prince): In view of the fact that the hon. member for Beauce has just mentioned that seven years ago he himself placed a bill on the order paper advocating the same matter which I have brought before the house, would he not be willing to have this question brought to a vote now, in order to expedite this matter and have it adopted? In view of what he has said I would expect that he would be in agreement with this.

Mr. Racine: Mr. Speaker, I agree with the hon. member, but I do not think that either he or I should take care of this. I believe the government should take care of it in the near future, or as soon as possible. This is not something which should come from either the member from Beauce or the hon. member for Prince (Mr. MacDonald). I think the hon. member agrees.

Since I introduced the bill I have received a letter which I believe is interesting, and which I should like to read. It is as follows:

I feel very strongly in favour of this bill, but I did not realize how very involved the procedure of changing our laws is. Dr. Boyd Upper, of the Leader of the Opposition in Toronto, kindly took the trouble to inquire about this bill for me, and informed me of the way in which to contact you.

Many others of my particular age group—eighteen to twenty-one—have stated that they are in support of the idea that we have a right to vote too.

Then there is a paragraph in which I am very much interested:

There is only one difference, which is: We feel that not everyone who is eighteen should be allowed to cast a ballot, referring to those still in school. I feel, along with the others, that only those who are paying taxes in support of the federal government should be considered to have the privilege of voting.

[*Translation*]

I think many questions might crop up. In fact, for the information of the member for Prince, there were all kinds of objections in 1960. Among others, it was claimed that young girls were not interested in politics; so, having minors vote was not favoured. However, it was deemed profitable for boys and it was agreed that they should vote at the age of 18.

It was also said that to allow voting at 18 years was a good principle, because too many people between the ages of 21 and 35 neglected this important civic duty. And so, the number of electors would be increased.

Mr. Speaker, there is one thing though that I would like to discuss. It is said that those who pay taxes will have the right to vote. At this stage, I honestly wonder if some of our university students really take seriously the role they should play. For instance, when political personalities, when members of parliament visit the university, I wonder if those same students act as seriously as they should.

We now know—and we actually see this in our areas—that those who work, who are married, who pay taxes, are much more versed in political affairs; in short that they contribute in a special way to the study of such problems as may exist.

So, Mr. Speaker, I am wondering whether it would be desirable to grant the right to vote to young people at the age of 18.

In any case, let us say that today's youths are much more developed than we were at their age, and that, normally—

Some hon. Members: Question, question.

Mr. Racine: No, no. I feel that young people, as I suggested back in 1960, should have the opportunity to participate, to some extent, in our activities.

Mr. Bell (Carleton): Question.

Mr. Racine: Mr. Speaker, may I call it six o'clock?

[*English*]

Mr. Bell (Carleton): The hon. gentleman has talked it out.

Mr. Deputy Speaker: Order. The hour allotted for private members business has expired.

Mr. Knowles: Mr. Speaker, may I direct a question to the acting house leader. In view of the fact that the subject matter of Bill No. C-5, a bill identical to the one we have been discussing in the past hour, was referred to the standing committee on privileges and elections on June 23, will the acting house leader ascertain, between now and Monday, why that committee has not met to deal with this matter.

Mr. Pennell: I will bring it to the attention of the house leader, Mr. Speaker.

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

HOUSE OF COMMONS

Monday, December 4, 1967

The house met at 2.30 p.m.

WATER RESOURCES

PEMBINA RIVER—TABLING OF REPORT OF INTERNATIONAL JOINT COMMISSION

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I would like leave to table copies of the report of the International Joint Commission on the co-operative development of the Pembina river basin, dated October, 1967.

Mr. Deputy Speaker: Does the house give unanimous consent?

Some hon. Members: Agreed.

CANADIAN CENTENNIAL

ANNOUNCEMENT OF CONCLUDING EVENTS ON PARLIAMENT HILL

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, I wonder if I might revert to motions for a moment. I am sorry I missed your calling of that item.

Mr. Deputy Speaker: Does the house give unanimous consent to revert to motions?

Some hon. Members: Agreed.

Miss LaMarsh: Mr. Speaker, I thought it might be of some interest to hon. members to have a brief statement of our plans for the centennial year end program on parliament hill.

Members in all parts of the house have been very generous in their attendance at, support of and praise for centennial celebrations to date and I should like to thank them for all this. I hope there will be general agreement that we should close out the year on a high note—

Some hon. Members: Oh, oh.

Miss LaMarsh: My resignation does not go with it.

Some hon. Members: Oh, oh.

Miss LaMarsh: As I say, I hope there will be general agreement that we should close out the year on a high note, pointing clearly toward the promise of the second century which lies ahead of us.

To that end the centennial commission has arranged for two major ceremonies to be held this month on parliament hill. The first of these will take place this Friday, December 8, beginning at 3.30 p.m. Its prime purpose will be to launch a national "help a child" program to encourage young Canadians through their schools to make a special contribution to assistance programs for children in less fortunate parts of the world. I should hope the house would agree with me that it is appropriate, especially at this time of year, that we turn the accent of our centennial celebrations, which have been mainly introspective to date, to the broader world horizon and to recognition of the fortunate place we as Canadians have in that horizon.

While the ceremony on Friday will include particular reference to the "help a child" program for the national capital area, this is, I should stress, a national program, and centennial commission officials already are co-operating with the provinces in encouraging participation by schools and school children from one end of the country to the other.

While in a sense, Mr. Speaker, this is a very solemn undertaking, we have planned Friday's ceremony to take into account as well the festive season which is upon us. It will be centred about the lighting of the monster Christmas trees on parliament's lawns and will include a fireworks display, appearances by several National Hockey League stars and entertainers, and carol singing; as well, I understand, as a special visit from that elderly gentleman known as St. Nicholas.

The second ceremony, as might be expected, will be to formally close out the year on the evening of December 31. This occasion will feature an address to the nation via television by His Excellency the Governor General, as well as a religious ceremony, choral singing and a fireworks display. It also will provide a final focus on the centennial flame, which has shone so brightly as a beacon of our celebrations throughout the year.

As a final note I might add that during the period between December 15 and 30 the commission also has arranged for regular performances such as were held on the hill during the summer months, to be staged by major bands and choirs from the national capital area.

Mr. Speaker, while both the major ceremonies will be televised by the C.B.C., it certainly is our hope and desire that as many Canadians as possible will come to parliament hill to share directly in these events with us. I would then like to issue a very special invitation to all members of this chamber and the other place, all of whom will be receiving written invitations to both events, to help us celebrate the close of this most eventful year.

Some hon. Members: Hear, hear.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OPENING OF FISHERY COMPLEX AT FOX RIVER, QUE.

Question No. 465—**Mr. Keays:**

1. Did the government of Canada have representatives assist at the opening of a fishery complex at Fox River of Rivière au Renard in Quebec?

2. If so (a) who were the government representatives (b) who represented the various departments at this official opening?

3. How did these representatives travel to Fox River, who were the guests in the planes, how long did they remain in the Gaspé area, and who travelled back to Ottawa in the planes?

4. What were the expenses incurred by each department of government by attendance at these ceremonies at Fox River?

5. Was any publicity made of this trip and, if so, what expenses were incurred by each department of government publicizing the contribution of the federal government?

6. Did the government of Canada, by authority of the Minister of Finance, the Minister of Public Works, the Minister of Forestry and Rural Development, or the Minister of Industry, authorize the publication of a multi-coloured pamphlet advertising the amount of money invested by the government in the complex at Fox River and, if so, (a) what was the cost of this publication and who published it (b) how many copies were released to the mailing outlets in Canada or in Quebec or in Gaspé?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): 1. Yes.

2. (a) The Honourable Maurice Sauvé, the Minister of Forestry and Rural Development.

[Miss LaMarsh.]

(b) Department of Forestry and Rural Development: André Saumier, Paul Boisclair, Pierre Franche. Department of Fisheries: Jean Fréchet; Dr. W. R. Martin; Gaston Dubé; Gordon O'Brien (Fisheries Council of Canada). Department of Public Works: Gérald Millar.

3. (a) Transportation: Ottawa—Sept-Îles, Department of Transport; Sept-Îles—Gaspé, Air Gaspé. (b) Guests aboard the plane: The Honourable Maurice Sauvé, André Saumier, Alexandre Cyr, Albert Béchard, Gordon O'Brien, Rosaire Gendron, Guy Leblanc, Jean Fréchet, Gérald Millar, Thérèse Millette, Dr. W. R. Martin, Paul Boisclair, André Ouellette, Gaston Dubé, Pierre Couture, S. Gosewitz, Guy Gagnon, Gustave Blouin, Russel Deays, Egide Dandenault. (c) Twelve hours. (d) List of passengers who travelled back to Ottawa: The Honourable Maurice Sauvé, André Saumier, Alexandre Cyr, Albert Béchard, Gordon O'Brien, Rosaire Gendron, Guy Leblanc, Jean Fréchet, Gérald Millar, Thérèse Millette, Dr. W. R. Martin, André Ouellette, Pierre Couture, S. Gosewitz, Guy Gagnon, Gustave Blouin, Russel Keays.

4. Expenses amounted to $719.20 and were covered by Department of Forestry and Rural Development.

5. (a) No. (b) Not applicable.

6. Yes. (a) The Department of Forestry and Rural Development at a cost of $1,465.00. (b) 75,000 copies.

[*English*]

OT-4 ENGINE DEVELOPMENT PROGRAM

Question No. 504—**Mr. Douglas:**

1. How much money has the Canadian government provided for the OT-4 development program conducted by Orenda Limited of Malton, Ontario?

2. How much money has the United States government provided for the OT-4 development program conducted by Orenda Limited of Malton, Ontario?

3. Have any of the OT-4 engines been completed and put into use and, if so (a) how many have been completed and what use is being made of them (b) what is the record of performance of these engines in comparison with other engines of similar horsepower?

4. Why did the Canadian government decide to discontinue financial assistance to the OT-4 program?

5. What were the "other developments" referred to in the answers given by the Minister of Industry to questions asked in the house on October 17, 1967, as recorded on page 3167 of *Hansard* for that date?

6. What specific steps are being taken to ensure that the engineering design team at Orenda Limited remain in Canada?

Hon. C. M. Drury (Minister of Industry): 1. At the time Canadian government financial support was withdrawn, i.e., 30 September, 1967, the Canadian government had expended $10,090,000.

2. As of 30 September, 1967, the United States had expended $5,593,000.

3. (a) As of 30 September, 1967, 14 engines had been built and two others were in assembly stage. Of the 14 engines built, seven have been used for test-bed development at Orenda, and seven for trial installations. The seven installations are: two in United States navy minesweepers; three in United States army tracked vehicles and one, plus one spare replacement, in a commercial truck. (b) Not being a production engine it is difficult to compare OT-4 performance with other types of engines of similar horsepower. In terms of its performance objectives, however, the OT-4 had not achieved its design power output and fell short of its target on specific fuel consumption but its reliability was about normal for its development status. It was not expected, however, as a production engine, to be sufficiently competitive with the current diesel engines of comparable power in respect to specific fuel consumption and selling price per horsepower.

4. Following appraisal of a comprehensive market study undertaken by an independent consulting organization of Orenda marketing plans, of United States military engine requirements, and of the status of the OT-4 development program, the Department of Industry concluded that: (a) The OT-4 was not expected, by 1975, to be fully competitive with diesel and other engines in terms of cost and performance; (b) While there might be, in time, an adequate overall market potential for industrial gas turbines in the OT-4 power range, the volume achievable by the OT-4 would not, in the opinion of the department, be commensurate with the development and preproduction investment involved; (c) A partnership arrangement between Orenda and a company having the necessary skills in volume production, international marketing and after sales service was considered by both Orenda and the Department of Industry to be necessary. No such arrangement appeared to be within reach; (d) An adequate industrial return to the Canadian economy on the proposed continuing Canadian government investment in the program did not appear to be achievable.

This decision of the Canadian government to discontinue financial assistance was taken in the light of the fact that neither the United States government nor Orenda were prepared to put additional funds in the program.

5. The OT-4 design was conceived in the early 1960's and during its development cycle many product and performance improvements were incorporated. In recent years, however, the age of the design concept placed constraints on the developer to incorporate advanced componentry and materials without major redesign. It is considered that, by 1975, the earliest time by which the OT-4 would be available in quantity for the industrial turbine commercial market, simpler and less expensive engines of comparable performance will be available based on more advanced components and materials.

6. Efforts by my department and industry aimed at retaining the OT-4 engineering design team in Canada are continuing. To date, approximately 25 per cent of the OT-4 professional engineering personnel have been offered alternate positions within the Orenda organization and another 45-55 per cent have been or will be offered positions with a number of other Canadian companies.

*C.B.C. PAYMENTS TO QUEBEC PERSONS AND GROUP REPRESENTATIVES

Question No. 513—**Mr. Allmand:**

1. Has any money been paid by the C.B.C. to Pierre Bourgault; François Aquin; Reggie Chartrand and René Levesque, for their appearances on television or radio broadcasts since January 1, 1965 and, if so, what amount in each case?

2. Has any money been paid by the C.B.C. to representatives of the following groups for appearances on television or radio broadcasts since January 1, 1965 (a) Rassemblement pour l'Indépendance Nationale (R.I.N.) (b) Ralliement National (R.N.) (c) Société St. Jean Baptiste (d) Union Générale des Étudiants Québecois (U.G.E.Q.) (e) Société Fleur de Lys (f) Chevaliers pour l'Indépendance, and, if so, what amount in each case?

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the C.B.C. as follows: 1. Mr. Levesque was paid in 1966 and 1967 for program participation in the professional capacity of interviewer and interviewee on subjects not specifically related to domestic politics. Mr. Bourgault was paid in 1966 for an appearance in a drama series produced a few years ago and rerun last year. Mr. Aquin and Mr. Chartrand have not been paid for their appearances. It has not been customary to require the C.B.C. to disclose fees paid to individuals.

2. The corporation has no record of payments to representatives of the organizations in question.

INDUSTRY ASSISTANCE FOR GREY AND BRUCE COUNTIES, ONTARIO

Question No. 595—**Mr. Loney:**

Is it the intention of the Department of Industry to provide a program of assistance to encourage industry to locate in the slow growth areas in Grey and Bruce counties?

Hon. C. M. Drury (Minister of Industry): Portions of Grey and Bruce counties are included in the Canada manpower centre areas of Owen Sound and Collingwood which have been designated since August 5, 1965, as areas eligible to receive assistance under the area development program. This program has helped to bring a number of new industries to the counties as well as a number of significant expansions to existing businesses. On October 31, 1967, the government announced that the C.M.C. areas of Owen Sound, Collingwood and Midland will be removed from the list of designated areas effective December 1, 1967, because of improved employment conditions.

The remaining portions of Grey and Bruce counties are located in the Walkerton, C.M.C. area which has not met the criteria for designation relating to conditions of high unemployment and under employment.

*POST OFFICES IN HUDSON BAY COMPANY STORES

Question No. 615—**Mr. Brand:**

1. Has the government given consideration to establishing, in outlying communities, post offices in sites other than Hudson Bay Company trading posts, as exist at present?

2. Has the Post Office Department authorized clerks in Hudson Bay Company trading posts to open mail addressed to Indians and, if so, under what authority have such authorizations been given?

3. Has the government in any way authorized Hudson Bay Company personnel to take possession of government cheques addressed to Indians and, if so, under what authority have such authorizations been given?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): 1. Yes, when the need has been established for a Post Office, serious consideration is given to any application from a resident who is prepared to accept the Postmastership and is in a position to provide the necessary accommodation to house the operation.

[Mr. Béchard.]

2. No. In no circumstances does the Post Office Department authorize clerks in Hudson Bay Company Trading Posts to open mail addressed to Indians.

3. No. The Post Office Department has not, in any way, authorized the Hudson Bay Company personnel to take possession of government cheques addressed to Indians.

[*English*]

WHEAT BOARD GRAIN SALE PERSONNEL

Question No. 620—**Mr. McIntosh:**

How many Canadian wheat board employees were engaged full time in the promotion and sale of Canadian grain in each of the following areas (a) United Kingdom (b) Europe (c) Japan (d) China, during the years 1963, 1964, 1965, 1966 and 1967?

Mr. Bruce S. Beer (for the Minister of Trade and Commerce): There are no Canadian Wheat Board employees whose promotional and sales activities are restricted to a specific country. The activities of board employees stationed overseas cover a number of countries within a general area and their activities are supplemented by frequent visits to specific markets by members of the Board and senior officials from Canada.

The number of employees engaged full time abroad during the years 1963, 1964, 1965, 1966 and 1967 were as follows:

	(a) United Kingdom	(b) Europe	(c) Japan	(d) China
1963	4	4	4	nil
1964	3	3	4	nil
1965	6	*	4	nil
1966	6	*	4	nil
1967	6	*	4	nil

*The board's office in Brussels was closed and its activities consolidated with the London office on December 31, 1964.

AIRPORT IMPROVEMENTS, CHARLOTTETOWN, P.E.I.

Question No. 656—**Mr. MacLean (Queens):**

1. When is it expected that a new terminal building will be constructed at the Charlottetown airport?

2. Does the Department of Transport plan to build runway extensions at the Charlottetown airport in the near future?

3. Is the installation of an instrument landing system at the Charlottetown airport contemplated in the near future?

4. Have requests been made to the government for the above improvements?

5. What organizations have made or supported such requests?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1, 2 and 3. Answered by answer to question 664.

4. The premier of Prince Edward Island made representations to the Minister of Transport during a recent visit of the minister to Charlottetown.

5. As in 4.

CANADA PENSION PLAN ADVISORY COMMITTEE

Question No. 661—**Mr. More:**

1. Who are the members of the Canada Pension Plan advisory committee and for what term of office has each been appointed?

2. What is the name of the chairman of the committee and what is his normal occupation?

3. What fees, salaries, emoluments or other honoraria or payments do (a) members of the committee (b) the chairman, receive?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. Members and term of office as per list attached.

2. R. St. John Macdonald, B.A., LL.M., Dean, Faculty of Law, University of Toronto.

3. (a) An allowance of $50 for each day in attendance at any meeting of the committee. Reasonable travelling and living expenses while absent from his ordinary place of residence in the course of his duties as a member of the committee. (b) Same as (a) above.

Members of the Canada Pension Plan advisory committee.

1. Mr. W. J. Adams, Vice President and Secretary, The Canada Life Assurance Company, Toronto, Ontario; 3 years; 2. Mr. Andrew Andras, Director of Legislation and Government Employees' Department, Canadian Labour Congress, Ottawa, Ontario; 3 years; 3. Mr. J. Fraser Coate, Consultant, Pension Trust Division, Montreal Trust Company, 15 King Street West, Toronto, Ontario; 3 years; 4. Mr. J. E. Fortin, Consultant, Trust Companies Association of Canada, 11th Floor, 302 Bay St., Toronto, 1, Ontario; 3 years; 5. Dr. C. L. Francis, 1130 Castle Hill Crescent, Ottawa 5, Ontario; 3 years; 6. Mr. W. Arthur Johnston (Consultants) Ltd., 52 Donald Street, Winnipeg 1, Manitoba; 4 years; 7. Miss Valerie Kasurak, Excelsior Life Insurance Company, Canada Trust Building, Windsor, Ontario; 4 years; 8. Mr. David Kirk, Executive Secretary, Canadian Federation of Agriculture, 111 Sparks Street, Ottawa, Ontario; 4 years; 9. Miss Marjorie Laws, 595 Shediac Road, Moncton, New Brunswick; 4 years; 10. Mr. E. M. Lawson, President, International Council of Teamsters, 490 East Broadway, Vancouver 10, B.C.; 4 years; 11. R. St. John Macdonald, B.A., LL. M., Dean, Faculty of Law, University of Toronto, Toronto, Ontario; 5 years; 12. Mr. C. R. MacFadden, Vice President and Secretary Treasurer, Ocean Fisheries Limited and National Sea Foods Limited, Halifax, Nova Scotia; 5 years; 13. Miss Ruth S. McGill, B.A., LL. B., Barrister and Solicitor, McGill & Robb, 2050 Scarth Street, Regina, Saskatchewan; 5 years; 14. Mr. John C. Molloy, St. Shott's, Newfoundland; 5 years; 15. Mr. D. E. Sloan, Manager, Investment Research, Canadian Pacific Railway Company, Montreal, Quebec; 5 years; 16. Mr. Wm. J. Smith, National President, Canadian Brotherhood of Railway, Transport and General Workers, 230 Laurier Avenue West, Ottawa 4, Ontario; 5 years.

RETURNS NOT FILED UNDER CORPORATIONS ACT

Question No. 671—**Mr. Caouette:**

1. During each of the last three years, how many companies neglected to file their annual reports in accordance with section 125 of the Canada Corporations Act?

2. Were there prosecutions in accordance with subsection 4 of section 125, and (a) if so, how many (b) if not, were reasons given in each case and what were they?

3. What was the total amount in fines collected under the said section?

Hon. John N. Turner (Registrar General): 1. For 1965, 495; for 1966, 441; for 1967, 1,150.

2. No. The department instead of proceeding under the provisions of subsection 1 of section 125 is, since the amendments of July 1, 1965, to the Canada Corporations Act, dissolving defaulting companies pursuant to subsections 10, 11 and 12 of section 125 of the act.

Since this program started, 602 companies have already been so dissolved and because of the further amendment made in Bill S-10, which received royal assent on November 6, 1967, the compagnies in default for the years 1965 and 1966 will be dissolved unless they comply before the expiry of the statutory period of two years. The number of those in default for one year will decrease before the date of publication in the Canada Gazette because the department is sending private notices to each defaulting company.

3. Not applicable.

Questions

COMPANIES HANDLING WHEAT FOR WHEAT BOARD

Question No. 683—**Mr. Jorgenson:**

1. What quantities of Canadian wheat were handled on behalf of the Canadian Wheat Board by each of the following companies (a) Dreyfus Corporation (b) Bunge Corporation (c) Continental Grain Company (d) Cargil Grain Co. Ltd., in each of the years 1960, 1961, 1962, 1963, 1964, 1965, 1966, and to date in 1967?

2. What are the percentages of Canadian grain handled for each of these years by each of these companies?

Mr. Bruce S. Beer (for the Minister of Trade and Commerce): It is not the policy of the Canadian Wheat Board to disclose the competitive position of grain companies with regard to their transactions with the board. To reveal the information requested would, in the opinion of the board, be prejudicial to its marketing operations.

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 686—**Mr. Knowles:**

1. What was the total amount of money in the public service superannuation account as at (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

2. What rate of interest does the government pay for the use of this money?

3. What amount of interest was credited to the public service superannuation account during the fiscal years ending (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

4. What was the total amount paid out of the public service superannuation fund during the fiscal years ending (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

Hon. Mitchell Sharp (Minister of Finance): 1. Balance in the superannuation account as of (a) March 31, 1964, $1,856,407,622; (b) March 31, 1965, $2,161,828,358; (c) March 31, 1966, $2,390,383,091; (d) March 31, 1967, $2,689,467,-819.

2. Interest is credited to the superannuation account on the last day of each quarter in every fiscal year calculated at the rate of 1 per cent of the balance to the credit of the account on the last day of the preceding quarter.

3. Interest credited to the superannuation account during the fiscal years ending (a) March 31, 1964, $71,756,270; (b) March 31, 1965, $78,715,785; (c) March 31, 1966, $89,499,-085; (d) March 31, 1967, $98,499,363.

4. Total amounts paid out of the superannuation account during the fiscal years ending (a) March 31, 1964, $56,807,908; (b) March 31, 1965, $64,160,629; (c) March 31, 1966, $69,-906,914; (d) March 31, 1967, $74,902,119.

[Mr. Turner.]

REVISION OF R.O.P. PROGRAM

Question No. 700—**Mr. Bell (Carleton):**

1. Has the Minister of Agriculture made any plans for the revision of the R.O.P. program?

2. If so (a) what precisely is the nature of such plans (b) when will they become effective (c) what advantages are foreseen in their institution?

Hon. J. J. Greene (Minister of Agriculture): 1 and 2. The Minister of Agriculture has no precise plans for revision of R.O.P. programs except that recently announced for the R.O.P. dairy program; namely, the extension of recording to unregistered animals in herds on R.O.P. testing. However, all R.O.P. programs are under continuing review and at the present time the R.O.P. dairy program has received study through the national milk recording conference and the advisory board for R.O.P. dairy cattle, both of which were held last month. The dairy farmers of Canada are following up the results of the milk recording conference and through a committee intend to bring in recommendations for a plan which will unify the milk recording now carried out under all dairy herd recording programs.

FEDERAL CONTRIBUTION TO HIGHWAY COST, KEEWATIN, ONT.

Question No. 724—**Mr. Reid:**

1. What was the amount paid to the province of Ontario for construction of the trans-Canada highway from the east boundary of the town of Keewatin to 400 feet east of the east branch bridge?

2. Did the agreement provide for the future maintenance of the section to be the sole responsibility of the government of Ontario?

Hon. G. J. McIlraith (Minister of Public Works): 1. $556,026.

2. Yes.

STERLING HELD BY BANK OF CANADA

Question No. 728—**Mr. Laprise:**

1. How many pounds sterling were held by the Bank of Canada at the time of its recent devaluation?

2. How many pounds sterling did the Bank of Canada buy and sell during the two previous months?

Hon. Mitchell Sharp (Minister of Finance): 1 and 2: The Bank of Canada maintains working balances with central banks in a number of countries, denominated in the currency of the country concerned, through which are passed all transactions of the bank in that

currency on account of itself, of the government of Canada and of other customers. Similarly a number of central banks carry accounts with the Bank of Canada denominated in Canadian dollars.

Balances carried in such accounts are related to the type and number of transactions involved and to the various services rendered free by the central bank where the account is carried.

The information about its foreign currency assets and liabilities which the Bank of Canada publishes in its weekly and monthly statements is specified in Schedule B of the Bank of Canada Act. It has not been the practice nor is it considered appropriate to give such information in relation to individual currencies.

NAVAL MINE COUNTER MEASURES

Question No. 730—**Mr. Ormiston:**

1. What is the extent of Canada's mine counter measure force?

2. What types of vessels are used for this kind of operation?

3. How many ships are capable of being used in this capacity?

4. How many are employed at present?

5. What is the present complement of officers and men employed in this mine counter measure force?

6. Is there a standard type of equipment used by allied navies?

7. How many aircraft are employed in this work?

8. Where are personnel trained in mine counter measure work?

9. How long has this force been in existence?

Hon. Léo Cadieux (Minister of National Defence): Ocean, coastal and inshore minesweepers and minehunting ships are used in mine countermeasures. As it would take a great deal of time to mount an effective mining offensive, the particular capability of minesweeping in the RCN is considered to have a relatively low priority as compared with other tasks assigned to the Canadian armed forces. However, men are still being trained in mine clearance which is principally a diving operation, and divers attached to the diving units of the R.C.N. undergo such training with the United States navy. The R.C.N. also has six coastal minesweepers, one of which is being used for training while the other five are being held in reserve. The techniques of mining and minesweeping are changing and continuing study is being given to these developments to determine what capability would be most effective in the years ahead. For example, an R.C.N. officer has recently attended trials to examine the feasibility of using helicopters in minesweeping. A NATO committee is endeavouring to establish standard equipment for mine countermeasures.

APPLICATIONS TO TEACH IN NATIONAL DEFENCE SCHOOLS

Question No. 732—**Mrs. MacInnis (Vancouver-Kingsway):**

1. Does the Department of National Defence accept applications to teach in defence department schools from men teachers up to the age of 60 and not accept applications from women teachers after the age of 40?

2. If so, will the government consider eliminating the age differential respecting applications from men and women teachers?

Hon. Léo Cadieux (Minister of National Defence): 1. In Canada, the engagement of teaching staffs for Department of National Defence dependants' schools in Canada is under the jurisdiction of the local school board that is appointed to administer the school under the applicable provincial regulations.

In so far as outside of Canada is concerned, the Department of National Defence accepts applications from sponsoring school boards in Canada on behalf of teachers in their employ who are interested in teaching at a Department of National Defence dependants' school overseas. Such teachers are not engaged by the Department of National Defence, but are loaned by their employing boards for assignment overseas under a two-year loan of service agreement. Age limitations have been established for female teachers between 23 and 40 years of age and for male teachers between 23 and 60 years of age.

2. Consideration has been given to eliminating the age differential between male and female applicants, but it is not intended to change the existing age limitations at this time.

ANTEN MILLS, ONT., POST OFFICE REVENUE

Question No. 737—**Mr. Smith:**

What was the revenue from Anten Mills, Ontario, post office in each of the last ten years?

Hon. Jean-Pierre Côté (Postmaster General): 1957-58, $317.26; 1958-59, $237.35; 1959-60, $217.34; 1960-61, $326,86; 1961-62, $283.60; 1962-63, $283.28; 1963-64, $276.00; 1964-65, $314.51; 1965-66, $362.61; 1966-67, $344.07.

Questions

AREA DEVELOPMENT ACCOUNT

Question No. 748—**Mr. Hales:**

1. How much money was in the area development account as of (a) March 31, 1967 (b) October 31, 1967?

2. How much money has parliament appropriated to this account since its inception and on what dates was this money appropriated?

3. How much has been paid out of this account for development grants under the Area Development Incentive Act?

4. How much has been committed and yet to be paid out of this account?

Hon. C. M. Drury (Minister of Industry): 1. (a) $48,848,241,10 (b) $42,836,226.85.

2. The amount of $50,000,000 was authorized under the Area Development Incentives Act which was assented to 30 June, 1965.

3. As of 31 October, 1967, grants in the amount of $7,163,773.15 have been paid out under the Area Development Incentives Act.

4. The Area Development Incentives Act provides for an amount of $50,000,000 and such other amounts as may be appropriated by parliament for the purposes of the act. Parliament has also approved committing authority of $200,000,000 under the act. As of 31 October, 1967, an amount of approximately $135,000,000 has been encumbered to cover specific commitments to pay grants on projects approved subject to compliance with the act and regulations. Nearly $128,000,000 has yet to be paid out in addition to the amount expended as of 31 October, 1967.

R.C.A. TELEVISION TUBE FACTORY

Question No. 749—**Mr. Hales:**

1. What was the approved capital cost of the new R.C.A. television tube factory at Midland, Ontario?

2. What was the total amount of the area development grant payable under the Area Development Incentives Act to the R.C.A. Co. in respect of their new television tube factory at Midland?

3. Is this amount payable the maximum permissible development grant under this act?

4. What is the estimated amount of income tax forgiveness under the three year tax holiday provided under the area development program for the R.C.A. Co.?

Hon. C. M. Drury (Minister of Industry): 1. The approved capital cost of the facility for purposes of the Area Development Incentives Act has not yet been determined pending examination of final accounts submitted by the company to the area development agency.

[Mr. Côté (Terrebonne).]

2. The total amount of the grant payable under the act cannot be determined until the allowable capital cost is verified.

3. See 2.

4. The three year income tax holiday under section 71A of the Income Tax Act was an optional benefit until the expiry date of the provision on March 31, 1967. An applicant could not take both benefits. In this case, the company applied for a capital grant under the Area Development Incentives Act.

HOUSING STUDY OF ISOLATED COMMUNITIES

Question No. 755—**Mr. Nielsen:**

1. Has the firm of Moody, Moore and Partners of Winnipeg, architects and consulting engineers, yet completed the first phase of the housing study of isolated communities including some Indian communities in Manitoba, Saskatchewan, and Alberta, which study was undertaken on behalf of Central Mortgage and Housing Corporation?

2. Has any initial design or designs of prototype housing appropriate for such communities been prepared and/or submitted to Central Mortgage and Housing Corporation?

Hon. J. R. Nicholson (Minister of Labour): 1. By arrangement with the firm of Moody, Moore and Partners this work is now being carried out by the Winnipeg firm of Kennedy Smith Associates. The first phase of this housing study is completed.

2. The first phase report has been received by Central Mortgage and Housing Corporation. It classifies and comments on some 40 communities visited. It suggests a number of physical groupings of housing and communal facilities that might have application to some of these communities. It comments on existing housing and makes suggestions towards improvement by siting, layout and construction techniques.

C.M.H.C. have made additional moneys available through part V of the National Housing Act for printing 500 copies of the report so that these can be made available to those concerned with these communities and reserves.

OLD AGE SECURITY PAYMENTS

Question No. 777—**Mr. Clermont:**

1. What was the total outlay for old age security pensions for the following fiscal years 1962-1963, 1963-1964, 1964-1965, 1965-1966, 1966-1967 (a) in Canada (b) in the province of Quebec (c) in the federal constituency of Labelle?

2. What was the percentage of the federal contribution to these allowances?

3. How many persons received such allowances (a) in Canada (b) in the province of Quebec (c) in the federal constituency of Labelle?

[*Translation*]

Hon. Allan J. MacEachen (Minister of National Health and Welfare): 1. (a) 1962-63, $734,381,632; 1963-1964, $808,391,300; 1964-1965, $885,294,468; 1965-1966, $927,299,487; 1966-1967, $1,073,005,708. (b) 1962-1963, $155,359,915; 1963-1964, $171,996,794; 1964-1965, $189,682,327; 1965-1966, $201,031,152; 1966-1967, $239,765,492. (c) Records of pensioners are maintained in numerical sequence by province, and therefore it is impossible to give information requested.

2. 100%.

3. The figures given are as of March 31st in each case: (a) 1962, 927,590; 1963, 950,766; 1964, 971,801; 1965, 993,582; 1966, 1,105,776; 1967, 1,229,561. (b) 1962, 196,827; 1963, 202,405; 1964, 207,917; 1965, 214,294; 1966, 242,865; 1967, 275,515. (c) As in 1. (c) above.

[*English*]

Mr. Robert McCleave (Halifax): Mr. Speaker, on a point of order I should like to ask that question No. 310 be withdrawn. It is somewhat complex and requires too much research.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

CANADIAN CONSTITUTION

PROPOSED FEDERAL LIAISON WITH COMMITTEE OF PREMIERS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the success of the confederation of tomorrow conference and the promise for the future contained in the establishment of a continuing committee of provincial premiers, as announced on Thursday last, I wonder whether the Prime Minister could give us an indication as to whether the government will find it possible to establish effective liaison with this committee.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we already have a section in the Privy Council office which is concerned with liaison with the provinces in respect of matters of this kind. I am not sure whether this establishment of the new provincial organization requires special liaison but I would be very glad to look into it. This is something we certainly can consider at the first federal-provincial conference. We might even consider it next week, though we will not be dealing then with this specific matter.

Mr. Stanfield: Without being controversial but referring simply to the fact that so far as the conference is concerned liaison has been at the official level on the part of the government of Canada, will the government consider the establishment of liaison at the ministerial level?

Mr. Pearson: I would be glad to consider that as well, Mr. Speaker. In the past the President of the Privy Council has been responsible for liaison on that level. This has been particularly true in recent years. It may well be that the developments of the last few months will require some alteration in this procedure so that liaison can be established on a rather more formal basis.

CANADIAN BROADCASTING CORPORATION

POSSIBLE DISCONTINUANCE OF INTERNATIONAL SERVICES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister regarding reports that the international service of the C.B.C. is to be discontinued at the end of this month. In view of the fine service which has been rendered by this program in making known the views and attitudes of the Canadian people to other people in all parts of the world, is it the intention of the government to silence the voice of Canada at the end of this month?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I am perhaps as aware as any member of the use and importance in the past of the work of this broadcasting organization in short wave communication to other countries. Naturally we are looking into the operations of all government agencies with a view to cutting down expenses wherever that is possible. I can assure my hon. friend that no decision has been taken to abolish this service.

Mr. Douglas: Will the government be making a statement in the house far enough in advance of the actual discontinuance of this program to give members an opportunity to

express their opinion in respect of this very important decision?

Mr. Pearson: Yes, Mr. Speaker; especially in view of the newspaper comment I think it is important to make an announcement of this kind as quickly as possible. It is my hope that this can be done this week during the debate on the budget.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to ask a further supplementary question of the right hon. Prime Minister. Has the Prime Minister received representations of any kind from interested groups in Canada who are vitally interested in the international broadcasting service being continued because of the valuable work it has been doing?

Mr. Pearson: Yes, Mr. Speaker, I have received a great many representations. Indeed, every time it is rumoured that we are going to reduce or cut back a service or look at it on the ground of expenditure, I receive a great many representations.

Mr. Andrew Brewin (Greenwood): A further supplementary question, Mr. Speaker. With regard to the representations which the Prime Minister will consider, would he have the government look at the 1966 white paper on broadcasting, issued by his own government, which stressed its conviction of the importance and value of the international service?

Mr. Pearson: I am also aware of that, Mr. Speaker.

[*Translation*]

EXTERNAL AFFAIRS

REPORTED TRIPS TO CUBA BY QUEBEC SEPARATISTS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Last Friday, I had the occasion to appear on television, in Sherbrooke, with two well-known separatists from Montreal. Is this government aware that well-known separatists are constantly going to and fro between Quebec and Cuba and does the minister know about the true purpose of these visits to Cuba?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have had some reports about that situation and I may be able to add something tomorrow or Wednesday.

Mr. Caouette: Mr. Speaker, may I ask a supplementary question? Could the hon. minister check whether the Russian diplomatic bag, for example, is not used to transport money to help finance the separatist movement in Montreal?

Mr. Martin (Essex East): Mr. Speaker, I shall certainly look into the matter.

[*English*]

RUSSIAN PROTEST RESPECTING INCIDENT AT OTTAWA EMBASSY

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs and ask whether the Soviet government has yet replied to the Canadian note reported to have been delivered on Saturday, in which the charge was rejected that recent demonstrations at the Soviet embassy in Ottawa were carried out with "government connivance".

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Canadian note was delivered on Saturday. It was in reply to a note that had been sent earlier to the Canadian government by the government of the Soviet union. I hope there will be no further notes on this matter.

HOUSING

REQUEST FOR STATEMENT ON REPORTED DECREASE IN STARTS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the latest report from the Dominion Bureau of Statistics, which shows that in the third quarter of this year housing starts fell by 11.2 per cent, and that October was the fifth month in a row during which centres with a population of over 10,000 showed a decrease in housing starts, would the minister take the first opportunity on motions to outline what he and his department intend to do to overcome this serious trend?

Hon. J. R. Nicholson (Minister of Labour): Not necessarily on motions, Mr. Speaker, because I do not know where the hon. member got his figures. Housing starts in the

month of September were a record high in Canadian history.

Some hon. Members: Hear, hear.

Mr. Nicholson: And housing starts in the month of October ran them a close second.

Mr. Hees: A supplementary question, Mr. Speaker. Would the minister like me to send over the figures that were issued today by the Dominion Bureau of Statistics, so he can become aware of what is going on in his own department?

Mr. Nicholson: The minister does not have to read them; he has the figures here in his hand.

Mr. Hees: I would like to make the minister aware of the figures for his own department.

Mr. Deputy Speaker: Order, please.

CANADIAN PACIFIC RAILWAY

PROTESTS RESPECTING LAY-OFFS OF SHOP WORKERS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Transport. Has the minister received any communication in protest against the closing of main shops of the Canadian Pacific Railway at Montreal, Winnipeg and Calgary, affecting approximately 4,000 men including a considerable number in Fort William, for the period of the last week of December? If so, does the minister intend to approach the management for reconsideration of this move which, if carried out, will undoubtedly cause undue hardship to our already hard pressed railway employees?

Hon. Paul Hellyer (Minister of Transport): To the best of my knowledge, Mr. Speaker, no such protest has been received in my office.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask a supplementary question on this subject, and I address it to the Minister of Labour. If these lay-offs take place, will any compensation be paid to the employees for the time they will lose between Christmas and New Year's?

Hon. J. R. Nicholson (Minister of Labour): If they are entitled to unemployment insurance benefits, they will get them.

Mr. R. K. Andras (Port Arthur): Mr. Speaker, my supplementary question, which arises from the comments made by the hon. member for Fort William, is directed to the Minister of Transport. Will the minister in the course of investigating this protest also investigate the substance of comment by the railway unions to the effect that this lay-off has been designed by the C.P.R. management to offset or recover the cost of retroactive wage increases owing employees from August 1 as a result of recent wage settlements?

Mr. Hellyer: Mr. Speaker, if there is an investigation, then of course that question could be included. I understand there was consultation between the company and the unions affected and there seemed to be a fair measure of agreement between them in respect of this proposal. That would seem to be the reason no protest has been received to date, but of course I would be interested in examining the allegation made by my hon. friend.

[*Later:*]

Mr. Norman Fawcett (Nickel Belt): Mr. Speaker, I should like to direct a question to the Minister of Labour which is related to the question asked by the hon. member for Fort William with respect to the laying off of C.P.R. shop men. It is the same question that I directed to the minister on Friday last. I should like to ask the minister whether, in the event that these laid off employees are not covered by unemployment insurance, any arrangement has been made for compensation of the employees.

Mr. Nicholson: Mr. Speaker, not unless it has been made by the company concerned, and that is a question that should be directed to the Minister of Transport.

Mr. Fawcett: A supplementary question, Mr. Speaker. May I direct that question to the Minister of Transport.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a further question to the Minister of Transport regarding this matter of the C.P.R. laying off shop employees. Since this move affects some 4,000 employees, who are not likely to be covered by unemployment insurance because of the short duration of the lay-off, can the minister have an investigation made to determine whether the right of these men to be paid on their holidays, Christmas day and New Year's day, will be affected? Can he also ascertain whether there

is any justification for this lay-off between Christmas and New Year's?

Mr. Hellyer: I will be glad to pass on that question to the management of the railway company. I think I should tell the hon. gentleman, however, that an effort was made by the railway and its employees to seek periods of temporary lay-off which would avoid laying off some of the employees on a permanent basis. I was given to understand that a considerable amount of accord had been reached between the two groups, and that this procedure was preferred to the alternative, which would have been permanent lay-offs. I understand this was the mechanism approved by the majority of the workers themselves in an effort to share the consequences of a reduction in the work available. If that is the case, I think the hon. gentleman would applaud the co-operative attitude of this kind, and I am sure he does.

Mr. Douglas: Would the minister find out from the representatives of the workers whether this was indeed a mutually satisfactory arrangement, or whether it was an arrangement instituted solely by the management of the C.P.R.?

Mr. Hellyer: Normally when the union is not reasonably satisfied it proceeds directly, or indirectly through the good offices of my colleague, to make its dissatisfaction known. Since in this case I had not received any direct representations from the union, or indirect representations through the offices of my colleague, I assumed there had been at least a considerable degree of accord between the parties involved.

Mr. Robert Muir (Cape Breton North and Victoria): May I ask the Minister of Transport if these lay-offs by Air Canada, the C.N.R. and other government agencies are the result of the Minister of Finance urging that there should be a slackening in the economy, though goodness knows it is slack enough in the Atlantic provinces at the present time?

Mr. Hellyer: Certainly not, Mr. Speaker.

MEDICINE HAT—REDUCTION IN SERVICE RESPECTING FRESH FLOWERS

On the orders of the day:

Mr. K. H. More (Regina City): My question is to the Minister of Transport. I want to ask the minister whether he has received representations from the Western Florists' Association complaining of serious cut-backs in the C.P.R. service carrying fresh flowers for Medicine Hat and, if so, what he has done about these representations.

Hon. Paul Hellyer (Minister of Transport): To the best of my knowledge no representations have been received, but I would be glad to check with my office. I try to send as many flowers as I can to my friends out there locally; if there is a problem of transportation involved with respect to the surplus I shall be glad to see what I can do to assist.

TRANSPORT

REQUEST THAT PARLIAMENTARY COMMITTEE MEET IN ATLANTIC PROVINCES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I have a supplementary question for the Minister of Transport. Because of lay-offs and dissatisfaction with l.c.l. rates in the maritimes, will the minister now respond to the request of the Atlantic members that the transport committee complete its coast to coast survey by travelling to Atlantic Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, as I indicated last week, this is under consideration. I cannot see any reason why the committee should not travel to Atlantic Canada, but I would like to report to my hon. friend after I have had a chance to get a definitive word from the committee.

FAMILY ALLOWANCES

QUEBEC—PROPOSED DISTRIBUTION BY PROVINCIAL GOVERNMENT

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare with reference to a report in the Ottawa *Journal* of Saturday, December 2 that Hon. Jean-Paul Cloutier, minister of family and social welfare of the province of Quebec has announced that his government is ready to assume the distribution of the federal government family allowance cheques. Can the minister say whether agreement has been reached on this, and whether this would apply to all the provinces if they so desired?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, there has been an exchange of correspondence between the government of Canada and the government of Quebec. The government

of Quebec expressed its readiness to assume responsibility for the administration of the federal family allowance program in that province.

After careful consideration it was our decision that it would not be desirable to alter the present arrangements in the administration of federal family allowances.

[*Translation*]

[*Later:*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare.

The minister stated earlier that following consultations with the province of Quebec, the federal government decided to keep its jurisdiction in the field of family allowances. During those consultations, did the minister and the government reach a decision about a possible increase in the family allowance rate in Canada?

[*English*]

Mr. Deputy Speaker: Order. I think the appropriate minister has heard the representation made by the hon. member.

Mr. Caouette: Mr. Speaker, on a point of order, I think the minister was just about to answer; he had to pause for the translation of my question.

Mr. MacEachen: The answer is no, Mr. Speaker.

PUBLIC SERVICE

INQUIRY AS TO BOXING DAY HOLIDAY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the appropriate minister. I apologize for not giving him notice, but my question is the result of a telephone call from one of the officials of the Public Service Alliance just prior to my arrival in the house.

Will the employees of the Public Service Commission, including employees of the Royal Canadian Mounted Police, be given Tuesday, December 26 as a holiday? This information is urgently required in order that those concerned may make their holiday and travel arrangements for the Christmas season.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I should like to take this question as notice, and I will answer my hon. friend later this afternoon.

[*Later:*]

Mr. Benson: Mr. Speaker, in answer to a question asked a few moments ago by the hon. member for Kootenay West may I say that Tuesday, December 26, 1967 is not a holiday for public servants in Canada, who receive 10 statutory holidays during the year, somewhat more than received by most people in industry.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Can the minister bring the house up to date on the situation between Greece and Turkey, and on the position of the Canadian troops who form part of the UN peace keeping force in Cyprus, as a result of last week's developments?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have nothing to report on the position of the Canadian contingent other than that our troops there are carrying out their duties. Yesterday morning the Secretary General appealed to the governments of Greece, Turkey and Cyprus to end any threat to the security of each other. This was necessary because of last moment hitches in what was thought likely to be an agreement on the part of all concerned.

The Secretary General also indicated that his good offices would be available to all the parties, if considered desirable, with respect to United Nations efforts in the supervision of disarmament or in practical arrangements for internal security.

The response of the governments of Turkey, Greece and Cyprus has been positive, and I hope it will be possible to begin very soon the withdrawal of national forces from Cyprus and the de-escalation of some of the military measures that have been taken recently in the area. However, the fact is that at this moment agreement between the parties is not complete on all points and I regret to say that relations have not improved between the two communities in Cyprus.

Mr. Lambert: May I ask a supplementary question. Since Canada is a Nato ally of the two countries involved, has this government brought its own views before them to

impress upon Greece and Turkey the necessity of arriving at a just settlement and de-escalation in the area?

Mr. Martin (Essex East): We certainly have and I reported to the house on this a week ago. Our efforts included direct telephone communications between myself and the foreign minister of Turkey at a time when we were greatly concerned about possible military action. We have been in continuous consultation all along with the representatives of the United States and Britain, with Mr. Vance, the special emissary of the United States government, and Mr. Rolz-Bennet, the representative of the Secretary General.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question of the Secretary of State for External Affairs. In view of reports that Archbishop Makarios is objecting to an increase in the strength of United Nations forces, will the minister assure the house that in the event of the United Nations extending the mandate in Cyprus this house will be given an opportunity to discuss the terms of that mandate, and whether it has been extended sufficiently to provide security for the Canadian forces who are part of the United Nations peace keeping force there?

Mr. Martin (Essex East): If I were to reply directly to that question I would be indicating the nature of the objections being registered by one of the countries concerned. I think, in the interests of a settlement, it would not be appropriate for me to do so. I will, however, bear my hon. friend's question in mind and at the appropriate moment will respond to it.

Mr. A. B. Patterson (Fraser Valley): May I ask a supplementary question, Mr. Speaker. In view of reports that an expanded United Nations force in Cyprus is being contemplated, can the minister advise the house whether Canada has been requested to supply additional personnel?

Mr. Martin (Essex East): No, Canada has not been asked. I would ask my hon. friend to note what I said a moment ago to the hon. member for Burnaby-Coquitlam.

NATO—POSSIBLE WITHDRAWAL OF FRANCE FROM POLITICAL FIELD

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to direct to the Secretary of State for External Affairs a question related to the one asked by the hon. member for Edmonton West. At the present time France retains its membership in the political arm of NATO. Has the Canadian government received any information that would indicate that France intends to consider withdrawing entirely from the North Atlantic Treaty Organization?

Hon. Paul Martin (Secretary of State for External Affairs): No, sir.

INDUSTRY

ASSISTANCE FOR CONSTRUCTION OF OIL REFINERY IN ATLANTIC AREA

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I should like to direct a question to the Minister of Industry. I pose this question because of continuing difficulties in the economic field in the Atlantic provinces. Can the minister advise if as a result of difficulties that have arisen between the government and British American Oil Company regarding loans to assist in the construction of an oil refinery in the strait of Canso area, construction of such a refinery will be delayed and in fact might possibly be abandoned?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think perhaps it would be wrong to describe the situation as difficult, or to indicate there are difficulties on the part of either of the negotiating parties. Normal negotiations are going on, and I would be rather less pessimistic than the hon. member has indicated he is.

THE MINISTRY

RETURN OF TRADE MINISTER FROM EXPORT PROMOTION TOUR

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I have a question for the Prime Minister. Can the Prime Minister advise the house when the Minister of Trade and Commerce will return from his overseas trip so he can answer pressing questions relating to wheat exports?

Right Hon. L. B. Pearson (Prime Minister): I am afraid I misled the house the other day, when I said he would be back within a week or ten days. His itinerary covered more countries than I realized at the time. I am told he will be back at the end of this week. Meanwhile his trip has been most successful in the promotion of Canadian exports.

Mr. Pascoe: May I ask a supplementary question. Is the government aware of the drop of nearly 100 million bushels in wheat deliveries by farmers this crop year because the elevators and terminals are filled?

Mr. Pearson: Perhaps this is a good reason why the Minister of Trade and Commerce should travel in foreign countries.

AIR CANADA

PROTESTS RESPECTING LAY-OFFS OF SALES EMPLOYEES

On the orders of the day:

Mr. David Lewis (York South): I have a question for the Minister of Transport. Has he received any objections from the Canadian Air Line Employees Association about the lay-off or dismissal of sales employees in both Montreal and Toronto? In any case, is he aware of this termination by Air Canada? If so can he inform the house the reasons for it, and whether additional sales employees were recruited in the last two or three months before these terminations took effect last Friday?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have received representations from the Canadian Air Line Employees Association in which they raised a number of questions including those just posed by my hon. friend. I think I might just quote, in part, an answer that has been given to me by the company to forward to the employees association:

> Air Canada indicates that it will be increasing its efforts in the very difficult task of forecasting manpower needs with the hope that it can identify more effectively those cases which might lead to a surplus. It is the company's opinion that the future trend will be a more pronounced seasonal fluctuation calling for the use of some summer staff to be recruited on a temporary basis.

Mr. Knowles: Who wrote that; Paul Martin?

Mr. Hellyer: The management of Air Canada. The answer to the last question posed by my hon. friend is that I believe they did recruit some employees not too long before the lay-off occurred. This is to be regretted and I hope it will be possible for the management in the future, through improved planning, to avoid this kind of situation.

Mr. Lewis: May I ask a supplementary question. In view of the fact that some of the employees released were hired by Air Canada without being informed that their job was to be temporary and that they left other work to take on these jobs, and in view of the fact some of the hiring was apparently done in connection with Expo which everyone knew would come to an end, will the minister submit to Air Canada the need for better planning, and particularly the need to give consideration to the plight of employees who have been laid off under these circumstances?

Mr. Hellyer: Yes, Mr. Speaker, I will be glad to pass along these representations to Air Canada, together with those I have already received on the same subject.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question. Has the minister's attention been drawn to the rather unfortunate reference last evening on the Ed Sullivan show to the safety record of Air Canada?

Mr. Hellyer: No, it has not, Mr. Speaker.

TRADE

BEEF PRODUCTS—OPPORTUNITY FOR INCREASED SALES TO U.K.

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to address a question to the Minister of Agriculture. In view of the fact that the United Kingdom has prohibited the importation of beef and beef products from the Argentine, has the minister made any arrangements through his colleague the Minister of Trade and Commerce to export Canadian beef and beef products to this large potential market?

Hon. J. J. Greene (Minister of Agriculture): No specific additional measures of which I am aware have been taken, Mr. Speaker, by reason of the prohibition of Argentine meat, but we are continuously attempting to broaden our markets not only in the United Kingdom but elsewhere. We will certainly be pleased to take the hon. member's suggestion into consideration.

Mr. Hales: Can the minister say whether our trade commissioner there has reported?

Mr. Greene: I have not received any report as yet, but I will be glad to take the hon. member's question as notice.

Inquiries of the Ministry

AGRICULTURE

REPORTED DEVELOPMENT OF LOW GRADE HIGH YIELD WHEAT

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I have a question for the Minister of Agriculture. May I ask the minister to inform the house and the many interested farmers in western Canada whether the Department of Agriculture has developed a new variety of low grade wheat that will be made available to farmers for use as seed in order to produce a low grade, high yielding wheat?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I would be very pleased to take the hon. member's question as notice. I do not know of anything specific that he may have in mind, but if there is I will take the question as notice and report to him.

PURPOSE OF OTTAWA VISIT BY U.S. SECRETARY

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Has the minister any information he can report to the house on the visit of the United States secretary of agriculture, Mr. Freeman, to Ottawa over the week end?

Hon. J. J. Greene (Minister of Agriculture): Mr. Freeman did not think very much of the game, Mr. Speaker.

PRIVILEGES AND ELECTIONS

CONSIDERATION OF PROPOSED REDUCTION IN VOTING AGE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare in his capacity as government house leader. Is he now in a position to answer the question I put to the Solicitor General at six o'clock on Friday last?

Perhaps I might give the essence of my question. In view of the fact that the subject matter of Bill No. C-5, a bill calling for the lowering of the voting age, had its subject matter referred to the standing committee on privileges and elections on June 23, could the house leader tell us why the committee has not met to deal with this term of reference?

[Mr. Greene.]

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, as the hon. member knows, the committee is master of its own destiny. I would of course be glad to follow up the matter with the chairman of the committee to see whether it would be possible to discuss the bill.

Mr. Knowles: Mr. Speaker, as a supplementary question or as a point of order, may I ask the minister whether he is aware that the committee has not even met yet and that the chairman of the committee has not been named? We are usually told that these things have to originate with the government house leader, who calls the committee together in the first place.

Mr. MacEachen: Yes, Mr. Speaker, I am aware of all the points my hon. friend has made.

NOVA SCOTIA

REQUEST FOR PROGRESS REPORT ON DISCUSSIONS RESPECTING STEEL PLANT

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister and ask whether he can give the house any information at this time concerning the position of his government with regard to the steel situation at Sydney. If the Prime Minister is not able to do so now, when might he be in a position to give this information?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have nothing to add to my last statement. The premier of Nova Scotia, as my hon. friend knows, is convening his legislature today in regard to this matter. I received a message from him a week or so ago saying that he would be getting in touch with me and hoping we could meet at the earliest possible date. I have indicated that I would be very glad to do this but that the premier might like to wait until he finishes the session of the legislature, when we will meet at once.

TRADE

ASSISTANCE TO INDUSTRIES AFFECTED BY GENEVA NEGOTIATIONS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of Industry. In view of the fact that in three and a half weeks the Kennedy round tariff reductions start coming into effect, could the minister advise the house

when he expects to make a statement to parliament and to the Canadian people as to what steps the government intends to take to ease the impact on industries adversely affected by these tariff reductions?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we are still working on formulating a satisfactory plan.

Mr. Hees: Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture. When does the minister expect to make a statement regarding agricultural producers who are similarly affected?

Hon. J. J. Greene (Minister of Agriculture): I am sorry, Mr. Speaker, I did not get the import of the hon. gentleman's question.

Mr. Hees: Could I have the minister's answer again? It was impossible to hear.

Let me start all over again, Mr. Speaker. I should like to direct a supplementary question to the Minister of Agriculture based on my question to the Minister of Industry. In view of the fact that in three and a half weeks the Kennedy round tariff reductions start coming into effect, when does the minister expect to make a statement to the house regarding the steps the government intends to take to ease the impact on agricultural producers who are adversely affected by these tariff reductions?

Mr. Greene: Mr. Speaker, at the recent conference we did have considerable discussion with the producers about the impact of the Kennedy round decisions on agricultural producers. We will be continuing these discussions with farm organizations, and will certainly take any action within the authority available to us in respect to any changes that have to be made in the agricultural industry.

Mr. Hees: A further supplementary question, Mr. Speaker. In view of the importance of this matter to all agricultural producers in Canada, will the minister make a statement in this regard before these tariff reductions come into effect?

Mr. A. D. Hales (Wellington South): Mr. Speaker, I had a supplementary question for the Minister of Agriculture, but I should like to direct it to the Minister of Finance. Is there any possibility of postponing the commencement of the Kennedy round of tariff reductions from January 1, 1968 to a later date?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, we have entered into an agreement to bring the results of the negotiations into effect as far as we are concerned on January 1. If we did not do so we would be breaking our agreement, and other countries would not give us the advantage of the changes they have made in our favour in their tariffs.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is to the Minister of Industry, and is related to that posed by the hon. member for Northumberland. In regard to the statement the minister is going to make shortly about the Kennedy round tariff reductions, will the minister be in a position at that time to give encouraging news to the steel producers of this country who are being faced with a serious problem as a result of the Kennedy round, with the country being flooded with steel produced with cheap labour, which of course makes for serious competition for our own steel producers.

Mr. Drury: Mr. Speaker, I think the arrangements with respect to the importation of steel and the proposals in relation to dumping have already been announced.

EXTERNAL AFFAIRS

STATEMENT BY U.S. RESPECTING INSPECTION OF NUCLEAR CENTRES

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is to the Secretary of State for External Affairs. With regard to the announcement on Saturday by President Johnson and the welcome news that the United States has decided to enlarge and to clearly indicate its policy on inspection of both private and public nuclear reactor centres in the United States, I wonder whether the government of our country has expressed its own reaction to this new step that has been taken by the United States government.

Hon. Paul Martin (Secretary of State for External Affairs): We have been urging this on a number of governments during the past three years, particularly during our discussions on the non-proliferation agreement in Geneva.

Mr. MacDonald (Prince): In view of the present situation at Geneva and the likelihood that no agreement will be reached during the present session of the United Nations,

is the Canadian government giving consideration to any new proposal which it might advance at Geneva in order to facilitate the reaching of a settlement there?

Mr. Martin (Essex East): I think the desirable thing to do now, if we could get agreement, would be to transfer the place of discussion from Geneva to the United Nations, and this we have been urging. Whether this will be done depends on the attitude of other countries.

Mr. MacDonald (Prince): Is the Canadian government also urging that other nuclear powers might participate in the discussions either at Geneva or in New York.

Mr. Martin (Essex East): Well, the three nuclear powers, the United States, the Soviet union and Britain are of course participants in the disarmament discussions of the 18 at Geneva. They would be participants in the United Nations discussions, as would France. Regrettably, China would not.

HOUSING

ATTENDANCE OF MEMBERS OF PARLIAMENT AT CONFERENCE

On the orders of the day:

Mr. John Gilbert (Broadview): My question is directed to the Prime Minister. Has the government made a decision as to whether members of parliament may attend the forthcoming conference on housing and urban development, either as delegates or as observers?

Right Hon. L. B. Pearson (Prime Minister): There is no reason whatever why members of parliament should not attend the conference public sessions. I hope and believe that at least some of the sessions will be public.

FISHERIES

POSSIBLE EFFECTS OF RUSSIAN UNDERWATER EXPLOSIONS IN NORTH PACIFIC

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Fisheries whether the international north Pacific fisheries commission has any studies under way in connection with underwater explosions being set off by the Soviet union in the north Pacific south of the Aleutians and, if so, whether he has any information he can give the house as to the possible effect of these explosions on the north Pacific fisheries.

Hon. H.-J. Robichaud (Minister of Fisheries): I have no information as yet as to the effect such explosions may have on the fisheries of the north Pacific, but I will inquire and report to the hon. member.

BRITISH COLUMBIA—PROVISION OF EMPLOYMENT FOR HERRING FISHERMEN

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Fisheries and ask whether he is in a position to give the house any information about the plans his department has with respect to providing alternative employment for the herring fishermen and shore workers on the west coast who are dependent upon the herring fishing industry.

Hon. H.-J. Robichaud (Minister of Fisheries): I was asked a similar question a few weeks ago, and I replied then that the question of providing alternative employment for the fishermen and workers laid off on account of the situation in that industry was being studied by the Department of Manpower and Immigration.

Mr. Howard: A supplementary question to the Minister of Manpower and Immigration. May I ask whether we can expect him to come to a conclusion about this before the herring fishing is supposed to resume on January 7?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, we are doing everything in our power to try to find some work for these men, and I hope that we shall soon have a report.

We are just as interested as anyone else in the house that all workers should be employed in Canada.

[*English*]

Mr. T. S. Barnett (Comox-Alberni): A supplementary question to the Minister of Labour. Has the hon. gentleman received any reply from the Minister of Fisheries or his deputy with regard to the representations which I understand he made in connection with a program to assist the herring fishermen on the west coast?

Hon. J. R. Nicholson (Minister of Labour): As hon. members probably know, the Minister of Fisheries has been away from the house for a few days. He returned today for the first time. The representations, which I

assured the hon. member and others would be made, have been made to the minister and his deputy minister. However, I understand that the minister has not yet received a full report from his deputy. I believe he may be in a position to report on the subject tomorrow.

• (3:30 p.m.)

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

AMENDMENTS TO CLARIFY BOARD POWERS, PROVIDE FOR APPEAL DIVISION, ETC.

Hon. J. R. Nicholson (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Industrial Relations and Disputes Investigation Act to clarify certain powers of the board; to provide for the appointment of two vice-chairmen in lieu of one; to provide for an appeal division of the board; and to provide further for certain changes in connection with the administration of the act.

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

Mr. Nicholson: Mr. Chairman, the amendments proposed in the resolution take cognizance of the reality and of the force of very important changes that are current in the Canadian industrial relations environment. The purpose of the amendments is to clarify the powers and to facilitate the work of the Canada Labour Relations Board in the light of these significant changes to which I have referred.

Most hon. members will recall that the Industrial Relations and Disputes Investigation Act, commonly known as the I.R.D.I. act, came into force on September 1, 1948. It is now in its twentieth year without amendment of any kind. The Canada Labour Relations Board was established on the effective date of the legislation, September 1, 1948. I might say it was established as the successor organization to the Wartime Labour Relations Board which did such a good job for Canada during the war and the important post-war years.

This board administers the provisions of the act concerning the certification of bargaining units and, because this work takes a fair amount of time, I mention also the revocation of certifications and the review of earlier decisions. It also deals with the writing of provisions for incorporation into collective agreements that fix a procedure for the final settlement of disputes concerning the meaning or violation of such agreements. It also deals with the investigation of complaints referred to it by the Minister of Labour that one party or another has failed to bargain collectively in good faith.

The board consists of a chairman, one vice chairman and eight members, four of whom represent the employees and the other four represent the employers. The present chairman has had a board background of experience in this field. He has served as deputy minister of labour and as vice chairman of the Canada Labour Relations Board before taking over its chairmanship in 1964. The vice chairman of the board is a senior civil servant. He is the deputy director of investigation and research in the Department of the Registrar General. The vice-chairman does not participate in the work of the board if the chairman is available. He acts as the presiding officer only in the absence of the chairman.

The history of this board is rather interesting. During the war years there were four labour groups of appreciable size in this country, the old Trades and Labour Congress, the Canadian Congress of Labour, the railway unions, and what were called the Canadian Catholic unions in the province of Quebec. There were Teamsters and other organized groups, but the four that I have mentioned were the four major groups of organized labour in this country.

When the Canada Labour Relations Board started to function in September, 1948, representation on it was substantially the same as on the Wartime Labour Relations Board. There was one representative of the Canadian Trades and Labour Congress, one of the railway unions, one of the Canadian Congress of Labour, and one of the Canadian and Catholic unions. When the Canadian Labour Congress, the C.L.C., came into being it provided the unions affiliated with it with three representatives, whereas the Canadian and Catholic unions, now the C.N.T.U., continued to have only one representative.

During the 20-year period that it has been functioning the board has done yeoman service for the people of Canada. It might be said that the philosophy of the board has been the administration of the provisions of the act and the determination of each particular case on its merits. During these 20 years the growth of collective bargaining has greatly increased the work of the board. I shall give some figures to illustrate this. During the period prior to 1966 the average number of applications dealt with by the board per annum, in round figures, was

about 100. In the last two years applications have averaged in excess of 140 per annum, an increase of roughly 40 or 45 per cent. In addition, and this is something I stress, rivalries among labour unions have placed increased pressures on the board.

The amendments covered by this resolution are designed to assist the board to deal with these new developments. I think I should state at this stage that no change in the representative character of the board is proposed, such as the three representatives from the C.L.C. and its affiliates and one representative from the C.N.T.U. If the resolution and the bill based thereon are accepted, the board will continue to represent equally the interests of employers and employees.

The amendments, however, do propose some new elements. First, they are designed to clarify the provisions in the act relating to the appropriateness of bargaining units. They also deal with the character of unions involved in applications for certification or designation.

It is also proposed that there be two vice-chairmen of the board as against one under the present act, and that the board be empowered to sit in panels. With the increase in work to which I have referred, the desirability of having the board sit in panels, as do so many of our courts, has become self-evident. On occasion there are a series of appeals. Unfortunately they may all come at the same time. If one relates to a problem in Ontario, another to a problem in British Columbia, another to a problem in the Atlantic provinces, another to something which is peculiar to the prairie region and yet another relates to the province of Quebec, it would certainly be desirable that the board sit in panels, just as the Supreme Court of Canada does on occasion, and as do our provincial courts of appeal when they sit in divisions. That is one reason it is desirable that we have two vice-chairmen instead of one.

• (3:40 p.m.)

Mr. Lewis: Mr. Chairman, may I ask the minister a question for clarification? Does the amendment indicate the composition of each panel, that is, whether or not a member from a particular part of the country or a particular organization should sit on a panel when a particular part of the country or organization is involved?

Mr. Nicholson: No, no more than does the Supreme Court of Canada Act make such provision in respect of the allocation of work by its members. That is handled by the chief justice. However, I believe my hon. friend who is a distinguished member of the bar knows that when an appeal from the province of Quebec comes before the Supreme Court of Canada the chief justice, as presiding officer of the court, will make sure that if it is at all possible all three members of the court from the province of Quebec will sit on the particular panel.

Mr. Starr: Mr. Chairman, may I ask the minister whether that means that if certification were applied for by the C.N.T.U. the two members who were representatives of the C.N.T.U. would be on that panel?

Mr. Nicholson: This will become clearer when the bill itself is actually before the house, but I would hope that if there are three representatives from the C.L.C. as against one from the C.N.T.U. there might be a pattern established so there will be a balance in representation; in other words, that there would be one from each respective group, depending on the particular problem being discussed.

As I say, not only is it desirable to enable the board to sit in panels so that possibly three differents matters might be considered at one time but also so that one panel may sit in the maritimes, one in Ottawa, one in western Canada and possibly one in some part of Quebec. This would enable the work to be done with greater dispatch.

In addition it is proposed that an appeal division of the board be established. The appeal division will become operative to deal with appeals from rulings involving a determination of the appropriateness of the bargaining unit, that is, where an employer operates in more than one establishment or operates in more than one geographical area within Canada. It could be possible, if the full board sits as a panel, that the appeal would be taken to the appeal division. There may be various types of appeal. The nature of the appellate tribunal to be provided for here will be known as soon as copies of the bill have been distributed.

Mr. Brewin: Mr. Chairman, would the minister permit a question? Will all members of the board be eligible for appointment to the appeal division?

Mr. Nicholson: It would be possible that the chairman or a vice chairman who did not take part in the original panel might be a member of that board, but not the other members of the board. If the chairman had

presided at the panel hearing he might not wish to sit on the appeal. This sometimes happened in the Atlantic provinces when I was a young, practising lawyer. I think it is highly desirable that we should avoid that. I would expect that where cases of serous differences arise the chairman, in anticipating such a situation, might assign one or other of the vice chairmen and then make himself available to chair the appellate division.

Mr. Lewis: I am sorry to interrupt again, Mr. Chairman. I appreciate that we will have the details when the bill is before us but I wonder whether the minister would inform us, since the appeal division will be part of the board, if that means that all the members of the appeal division will be taken from among the members of the board or is it the intention under the bill that additional persons will be appointed?

Mr. Nicholson: The intention under the bill is that two additional persons will be appointed as public interest representatives, if I may use such a term.

Mr. Lewis: I understand that they would not be members of the Canada Labour Relations Board.

Mr. Nicholson: They would be members of the board but members only of its appeal division. They would be appointed as representatives of the general public. It would be the intention of the government to select these two public interest members on the basis of demonstrated ability and stature in industrial relations in Canada and from among those persons generally regarded as impartial between labour and management. This is more in line with the course, I might say, that the United States has followed in connection with its board. It is also in line exactly with what the government has done in setting up the public service arbitration tribunal. If you look at section 60 of that act you will see that it is not necessary to have nominees from either of the large labour groups or organizations, nor is it necessary to have a nominee from the chamber of commerce or the Canadian Manufacturers Association.

Mr. Lewis: I am sorry to interrupt again, Mr. Chairman, but will these additional members be permanent members of the appeal division or will different members be appointed for each appeal.

Mr. Nicholson: They will be permanent members, but not full time members. At the same time the amendment is also intended to clarify the authority of the board to make certain rules governing its procedure. If it is to establish panels and if there is to be an appeal division to deal with certain types of appeals, then I think it is highly desirable that the regulations and bylaws governing their activities should be modified and brought up to date.

At this stage I should like to repeat what I have said on previous occasions. It is my intention to move as soon as possible that this bill be referred to the appropriate committee of this house, the committee on labour and employment, for detailed discussion clause by clause. It certainly is the very sincere wish of the government that all those who have a vital interest or any real interest in these amendments should present their views before the committee when the opportunity to do so arises.

Mr. McCleave: Mr. Chairman, could the minister tell us whether the intention is to refer this matter to the committee before or after second reading?

Mr. Nicholson: I would hope at the earliest possible moment.

Mr. McCleave: Will it be before second reading is completed or will it be after second reading?

Mr. Nicholson: It would be my hope that it would be before second reading—right away.

Mr. Starr: Mr. Chairman, in view of what the minister has said, that the house will not be asked to approve the principle on second reading before every opportunity has been given for representations to be made in committee, I certainly do not intend to take up too much time at this stage. However, there are a number of questions which came to my mind while the Minister of Labour was making his remarks in respect of the proposed amendments which are set out in the resolution.

• (3:50 p.m.)

The minister said that the Industrial Relations and Disputes Investigation Act has not been amended or changed since its inception in 1948. This points up the fact that it must have been a good act at least so far as the people involved are concerned and consequently no amendments have been necessary. Evidently the minister is not now proposing any changes to the act itself except in respect of the Canada Labour Relations Board. This act has a different application in respect of

the Canada Labour Relations Board than in respect of other things it covers. The minister is not proposing any amendments to the Industrial Relations and Disputes Investigation Act. All he is proposing is amendments affecting the Canada Labour Relations Board.

I felt that as the minister gave the history of this board he seemed to be following a tortuous path, particularly when he explained why amendments were necessary. He said there were a greater number of applications being made, but to my knowledge the board has never complained. Any time I have spoken with the members they seemed to be perhaps the most satisfied members of any board and have enjoyed their work. They are dedicated people who have spent many years accumulating experience, and on only rare occasions have their decisions been appealed. I suppose it is true that there is always dissatisfaction on the part of those who have not been successful in their applications for certification but generally speaking this board has been looked upon as fair and just in its decisions, which have been readily accepted.

This board has always had as members people representing management and labour organizations who have been recommended by management and labour. The turnover of personnel has been very minor over the years. This is probably because of the very good work done by the board. There has always been rivalry between applicants for certification as to who should represent an organization. This will be true no matter what board or commission makes the appointment. In any event good judgment must always be used.

In the past it has been the practice that large organizations like the Canadian Manufacturers' Association, junior chambers of commerce, the Canadian Labour Congress, railway unions and the C.N.T.U. have, on the basis of their membership, been represented on this board as well as on others. For this reason I want to know what the problem is now which makes it necessary to make these drastic changes.

The minister has agreed to send the bill which will follow this resolution to a committee before second reading, at which time perhaps these questions can be asked and answered. This is a very wise move and I hope that the good judgment of the minister in sending this matter to a committee before second reading in order that members may acquaint themselves with the facts before voting on the principle will set a precedent that other ministers will follow in future.

Mr. Lewis: Somebody will persuade him to change his mind.

Mr. Starr: Perhaps someone persuaded him to bring in these amendments, but the minister is using good judgment in committing himself to this committee that he will send his bill to a standing committee of the house prior to second reading. He is the only minister who has used good sense in this regard so far.

Mr. Nicholson: I am sure the hon. member for Ontario will recall that I did this on a prior occasion at his suggestion.

Mr. Starr: The minister is consistent in using good sense, and it is about time other ministers started to do the same in respect of other bills. I am sure if they did we would experience greater progress in the house.

The Canada Labour Relations Board has never had any interference from any minister. I know that I did not interfere with its operations when I was the minister. It seems to me that there is now to be direct interference as a result of the amendments proposed by this resolution. The minister is the sponsor of this resolution but whether or not he is the author of these amendments is not known. Perhaps we will find that out during the committee meetings.

Mr. Marchand: Does an amendment to a law constitute undue interference with a board?

Mr. Starr: That is what we will find out when we get to the committee. The minister has said that the first purpose of the amendments is to clarify certain powers. In my experience as Minister of Labour I was never approached by anyone, not even by members of the board, who felt that clarification of the board's powers was needed. Unless some unforeseen circumstances have developed since 1963 which make this clarification necessary I see no apparent reason why it should be done now. This is one of the things we want to find out. Have the members of the Canada Labour Relations Board asked the minister to introduce these amendments in order to clarify their powers?

There is now one vice chairman on the Canada Labour Relations board. He does not act unless the chairman is away. There has never been any problem in this regard, but I

see that now there are to be two vice-chairmen. I suppose they will have to toss a coin to see who will take the place of the chairman when he is away. Perhaps it is anticipated that the present vice chairman is going to be away a great deal of the time and that the second vice chairman will act as chairman when the chairman is away.

Apparently there is to be an appeal division of the board, which now consists of eight members and a chairman, representative of all major unions and employers in Canada. If an applicant for certification is unsuccessful he will have the right to go to this newly constituted appeal division. I am sure we will find that all the decisions of the Canada Labour Relations Board will be appealed. There is always a loser in an application for certification. These appeals will be made to two strangers to this board. Very likely they will be people who have not had any experience with the Canada Labour Relations Board.

Mr. Whelan: That is not what the minister said.

Mr. Starr: That is exactly what he said. He said the appeal division would consist of three members, a chairman and two others, who would not be members of the Canada Labour Relations Board. So we will have a situation where two people can overrule a decision of nine just and fair representatives of our leading unions and our leading manufacturing association in this country.

• (4:00 p.m.)

I still maintain that practically all the decisions made by the board will be appealed. I think this is a mistake. However, we will have an opportunity to discuss it in committee. The largest labour organization in Canada is the Canadian Labour Congress and the government confers with it in respect of representation on all these boards. I have not yet heard the Canadian Labour Congress criticize the Canada Labour Relations Board in any way or ask for any amendments of the type the government proposes to make to the Industrial Relations and Disputes Investigation Act. We will have an opportunity in committee to find out what is the thinking of the Canadian Labour Congress.

Mr. Muir (Cape Breton North and Victoria): The Minister of Manpower and Immigration does not like the board.

Mr. Starr: If the Canadian Labour Congress, the Canadian Manufacturers Association, the employers and the unions have not protested, who has? Who wants these amendments to be made? These are questions that must be answered. We hope the Minister of Labour will be more specific in answering them when we are in committee.

What will these amendments mean to the board? What will they do to the Canada Labour Relations Board? Will they have the effect of emasculating the board? Will they have the effect of ruining the reputation of the board, which has had such a wonderful reputation since 1948? Will these amendments mean that chaos will be created in the labour movement? These are questions that come to my mind, Mr. Chairman.

I hope the minister is not being made a tool in respect of the amendments that are now proposed. We congratulate the minister on his thoughtfulness and reasonableness and hope that the Minister of Manpower and Immigration is not now talking him out of sending this bill to committee before second reading, because the minister has given his word and is a man of his word. The minister is also a man of integrity and I am sure he will not allow the Minister of Manpower and Immigration or the government house leader to talk him into not keeping his word to this committee.

Mr. Lewis: Mr. Chairman, it is in this particular case, even more than in many others, difficult to discuss the resolution without having before us the details of the bill. But I must say it seemed clear to me as the minister was speaking that the government was indulging in a subterfuge to do something which it does not dare or does not have the courage to do straightforwardly and in the open.

It may well be that claims that ought to be met have been made by certain organizations. I personally do not know of them, but there may be some. If the government is of the opinion that they ought to be met the minister and the government ought to present amendments to the act which say just that, and they should not indulge in subterfuge and things much less than honest in presenting this resolution and the proposed bill to parliament.

The minister says there is something wrong with the representatives on the board. We say to him first, with respect and with kindness, that he ought to be a little more accurate. When the board was established

there were on it representatives of the Trades and Labour Congress, the Canadian Congress of Labour, the railway unions and the organization that preceded the present C.N.T.U. At that time I think it was still the Canadian and Catholic Unions. There were these four organizations represented.

When the C.C.L. and the T.L.C. combined the same situation prevailed. The minister ought to know that before he starts talking about three members representing the C.L.C. It may be that the union the present railwayman on the board represents is affiliated with the C.L.C.—frankly, I do not at the moment recall—but this was the case before. Prior to the merger of the C.C.L. and the T.L.C., the railwayman on the board may well have also represented a union affiliated at that time with the T.L.C. What you have now on the board is precisely what you have always had. When the T.L.C. and the C.C.L. combined, the members who represented those two organizations represented the one organization.

As a matter of fact, as the minister ought to know if he does not know it, the two members of the board who were nominated by the C.L.C. were in fact representative of what were previously the C.C.L. and the T.L.C. If my memory serves me right, Mr. MacDonald and Mr. D'Aoust are the two members nominated by the Canadian Labour Congress. Mr. D'Aoust is an ex-officer of what used to be known as the Trades and Labour Congress of Canada, and Mr. MacDonald is an ex-officer of what used to be known as the Canadian Congress of Labour. They are both now in the C.L.C. The present combined organization represents the same people represented in the old organizations. What in unjust in this situation? What is unfair in it? What is the minister or anyone else complaining about?

In any case, Mr. Chairman, if the minister and the government had the courage to do what they apparently intend to do—although I am not quite clear about it—let me point out to them that the legislation says nothing about where the representatives are to come from. It merely says that the board shall consist of a chairman and not more than eight other members, four representing employees and four representing employers. Within the confines of this legislation a change can be made in the representation if in the government's view that is necessary. But the government, not having the courage to do that, proposes that there be panels in order to achieve the representation that it thinks ought to be there in particular cases. In this way the minister will introduce the rivalry which he regrets exists in the labour movement among the members of the board itself. If that will not destroy any possibility of impartiality of the board, I should like to know what will.

It is true that members of the board are appointed from many groups in the community, but the intention of the legislation and my experience in appearing before the Canada Labour Relations Board as well as before other boards in this country lead me to know as a fact that after some time on the board those men originally representing particular groups follow a pretty consistent pattern of decision-making and precedents and take into account the interests of the community and of industrial peace in this country. Before the merger of the Trades and Labour Congress and the Canadian Congress of Labour I have known C.C.L. members of the board to hold against affiliates of that organization; I have known T.L.C. members of the board to hold against affiliates of that organization. I have known in respect of the Ontario and Manitoba boards, before both of which I have appeared, and am also aware from the decisions of all other boards in Canada which I have read, that where the labour member comes from frequently does not determine the decision which he supports. The importance of this is that from the start you try to get all members of the board to be as objective and impartial as human beings can be and to develop a sense of responsibility for the community and for the whole field of industrial relations.

• (4:10 p.m.)

What does the minister now propose? He proposes to make sure that the members of the board who happen to be from the C.L.C. will remain at all times C.L.C. partisans, that the members of the board who happen to represent the railway unions will for all time remain railway partisans, and that the members of the board who happen to represent the C.N.T.U. will for all time remain C.N.T.U. partisans, regardless of the objective facts and principles of the situation. If I understood the minister correctly, he is setting out deliberately to destroy any possibility of impartiality and objectivity by the members of the board.

The minister then said he wants to clarify the definition of an appropriate bargaining unit. Again let me remind him that the present definition is in the widest possible terms.

A unit means a group of employees, and a unit appropriate for collective bargaining means a unit appropriate for such purposes, whether it be an employee unit, a craft unit, a technical unit, a plant unit or any other unit, and whether or not the employees therein are employed by one or more employers. When the minister says he intends to clarify the definition, I suspect that what he really intends to do is not to clarify but to confuse the section and to insert into it a limiting term which will tie the hands of the Canada Labour Relations Board.

The minister spoke about the establishment of panels. I cannot understand his aim in doing so because I know the act and the regulations fairly well. Let me remind him that at the present time there is a section in the act which permits the board to authorize any person or board to exercise or perform all or any of its powers or duties under this act relating to any particular matter. What the board has always done is to have an investigating officer examine the membership and so on of an organization applying for certification. Let me also remind the minister that under the rules of the board made pursuant to the act the quorum of the board may consist of only three persons, namely the chairman or vice-chairman and one member representing each of the interests. Again I cannot help but suspect that the establishment of panels would not assist the board in doing its work.

As one of us here know, such as the hon. member for Ontario and others, the Canada Labour Relations Board has not sat for more than two days a month in years. It is only very occasionally that the board sits for more than two days a month. I am not aware of any backlog of work that it may have, and if there is such a tremendous amount of work all it has to do is to sit an additional day a month. There is nothing in what the minister has said or in what any of us know about the working of the board which would justify the setting up of panels, the result of which would be a division of the interests of the board rather than a development of its jurisprudence in these matters.

There are panels under the Ontario labour relations board which sit every day of the week. In fact two or three of these panels sit every working day of the week. This board has an agenda which requires the meeting of these panels. I challenge the minister's statement that there is any backlog of work in the Canada Labour Relations Board which could not be tackled by an additional day or two a month of sittings by the board. Instead of sitting two days a month it could sit three or four days a month and if there is any backlog of work it could thus be easily taken care of.

Panels are not needed for that purpose. The minister wants to set up panels for the purpose of dividing the members of the board into sheep and goats. He wants panels for the purpose of emphasizing and underlining the rivalries which he regrets. He wants panels for the purpose of destroying the possible objectivity and impartiality of the board. He does not need panels to get the work done. That could be done by an extra day or two of sittings by the board.

The minister spoke about an appeal division. All of these points will no doubt be dealt with again by other hon. members, but let me say a word on this matter. Let me remind the minister that the philosophy behind all the labour relations boards in Canada and in the United States is perfectly simple and valid. It is that the labour relations board should be practical, should consist of men and women with practical experience in the labour relations field, and should be representative of the two interests concerned, namely, management and labour. It is that such a practical board, representing the people with whom the board's work is concerned, should be given the widest possible discretion to discover, on the basis of its practical experience, the best *modus vivendi* and *modus operandi* in the labour relations field, and the best way in which to do the work which will encourage peace and minimize the possibility of labour unrest.

For that reason, when the wartime board was first set up—and I will be glad to be corrected if I am wrong—a provision was inserted in the act whereby no lawyers were allowed to appear before the board. I am not concerned at the moment about whether I am right or wrong in this. What I am concerned about is the philosophy which was represented by that provision, namely, that the board's operations should be as informal as possible and as uncluttered as possible with legalities and the ordinary confining rules of evidence which necessarily govern proceedings in a court. The purpose behind the philosophy was that the functions and operations of the board should be informal and should stem and derive from the practical experience of its members, and that the board should seek to be as impartial as possible.

This is why the act under discussion, as well as every other labour relations act in Canada with which I am acquainted, and I think I am acquainted with every one, contains a provision whereby the decisions of such boards cannot be appealed before the courts but are final and conclusive for all the purposes of the act. This is also why the present statute contains a provision that the board may reconsider any order or decision it has made. It is a simple philosophy that instead of appealing to another body which may impose on the board considerations and principles which the board has decided are unwise from its practical experience, the board is given an opportunity to reconsider any decision it has made, and if there are additional arguments or new evidence it is given authority under the act to vary or revoke any decision or order it has made. So far as is possible the act intended to keep the board free from legal formalities and from the procedures of appeal as well as free from interference from outside. It was to be a board that could work out on a practical basis, on the basis of its own experience, the kind of industrial life to which it has authority to direct itself.

• (4:20 p.m.)

I cannot help but suspect that this appeal board is not being set up for the purpose of appeal in any real, meaningful sense at all. This appeal board is not to meet a pressing necessity that exists, because the right to reconsider is there. Again, I cannot but suspect that this is also a subterfuge for a government not having the courage to change the composition of the board itself. I feel that by having an appeal division the same objective will be achieved in a roundabout way.

I have not heard from any labour source, unless I have failed to read everything I have received—not even from the C.N.T.U.—any request for an appeal board. I doubt very much that any responsible spokesman for labour, no matter what organization he represents, will look with anything but dismay at this proposal for an appeal division. You will have the imposition on the practical experience of the board of the actions of two people from the outside who will sit in appeal. You will have a constant flow of appeals from the board to this appeal tribunal because, as the member for Ontario so wisely said, there is always a loser in these cases. The loser in almost every case will go to the appeal board, so it will be the appeal board that will make the policies of the board rather than this body composed of the representatives of management and labour.

We will have to deal with the bill in greater detail when it comes before us. I should like also to join the hon. member for Ontario in congratulating the minister for undertaking to send the bill to committee before second reading. If he can accomplish that, it will be worth doing.

I want to say in conclusion—

Mr. Nicholson: What I think the minister said was that he would send the substance of the bill to the committee, and I hope that can be accomplished.

Mr. Starr: Don't back away from it now.

Mr. Lewis: The question was, would he send the bill to the committee before second reading and he said yes, he would. As a matter of fact, I have some sympathy for the minister because I do not know whether the rules permit that.

Mr. Starr: Yes, it has been done before.

Mr. Nicholson: I agreed to send the subject matter of the bill, not the bill itself.

Mr. Starr: Before second reading.

The Assistant Deputy Chairman: I do not know whether I am right in saying so but I believe this matter should be decided in the house when the Speaker is in the chair, and not in committee.

Mr. Lewis: As a matter of fact, I was going to say I wanted to pursue this argument at a more appropriate time. I reiterate that I join with the hon. member for Ontario in congratulating the minister upon undertaking, as I suggest, that the bill would be sent to a committee before second reading. I want to say that there are many areas in this act that do need amendment, and I am thinking of the conciliation procedure for the settlement of disputes and the whole machinery for avoiding labour strikes. The part that does not need amendment is the part that deals with certification and the Canada Labour Relations Board. Because of the objective which the minister has not been frank enough to put before the committee, the section to which we will be moving amendments is that section which experience and practice have shown works so well now for the people of Canada, for labour and management.

[*Translation*]

Mr. Caouette: Mr. Chairman, this resolution is obviously the result of pressure put on the government by the labour unions which complain that they are badly treated or misunderstood by the Canada Labour Relations Board.

For example, the C.N.T.U. has complained many times about the Canada Labour Relations Board, and today the government is presenting the following resolution, and I quote:

> That it is expedient to introduce a measure to amend the Industrial Relations and Disputes Investigation Act to clarify certain powers of the board; to provide for the appointment of two vice-chairmen in lieu of one; to provide for an appeal division of the board; and to provide further for certain changes in connection with the administration of the act.

The hon. member for York South (Mr. Lewis), who just resumed his seat, said that this resolution may have been introduced to please a given group or trade union. He was probably referring to the C.N.T.U. which had difficulties with the C.B.C. on a few occasions, but he did not want or he avoided to mention the C.N.T.U.

A moment ago, he expressed his lack of confidence in the introduction of a bill to improve labour and industrial relations, to clarify certain powers of the board, to provide for the appointment of two vice chairmen in lieu of one, and also to provide further for certain changes in connection with the administration of the act.

Mr. Chairman, we find it difficult now to discuss this proposed measure which will be introduced, since it is not the bill itself that has been put before us but the resolution preceding the introduction of the bill in the house. Therefore, even if it is possible to guess at some of the provisions of the bill which will follow the resolution, we must wait until the bill is introduced in parliament to discuss them.

The hon. member for York South says that this bill should put a stop to the increasing number of strikes in Canada, but we are now witnessing rather difficult industrial relations, labour-management relations in England. In fact, there have been strikes in the nationalized railways as well as in other nationalized or public industries. There again, the theory of socialism, of the labour state was applied, and that does not seem to have settled many things. To have, in Canada, an organization, an industrial relations board or an employer-employee relations board that would act efficiently, study both sides of the question, consider objectively the existing problems or those that might crop up, I believe it would be a good omen.

I also think the minister is right in proposing his resolution and seeking authority to introduce a bill which we may discuss with all the necessary leeway and move amendments if we are not satisfied with its contents.

I believe we should support the immediate adoption of this proposed resolution.

Mr. Chairman, I shall await the bill which the Minister of Labour (Mr. Nicholson) intends to introduce before making further comments.

• (4:30 p.m.)

[*English*]

Mr. Allmand: Mr. Chairman, this afternoon the Minister of Labour introduced a resolution to amend the Industrial Relations and Disputes Investigation Act and gave specific details of the content of the bill and the purpose of the resolution. He pointed out that this act has not been amended since 1948. He also pointed out that the realities of the economy and of the labour market in Canada have changed considerably in these 20 years. He stated that the main purpose of the resolution and the bill to follow was to meet two problems, the increasing rivalry between trade unions, and the increasing work load of the board.

I was somewhat surprised to hear the hon. member for Ontario, a former minister of labour and chief critic of the Conservative party on labour matters, ask who wants amendments. He stated he did not know anybody who wanted the act amended and he questioned the resolution and the proposed changes. It seems to me the hon. member for Ontario must restrict his reading to English newspapers in Ontario. As one who would be a natural choice for minister of labour if he were re-elected to office, which is doubtful, he should be aware of the widespread criticism of the present composition of the board and the resultant injustice to French Canada in the set-up of the board.

While his leader was in French Canada over the week end preaching that we must give consideration to the two founding language groups in Canada, the hon. gentleman is telling us here that there is no criticism of this act in Canada. I should like to read a brief extract from the memorandum submitted to the government by the Confederation

of National Trade Unions in which it is stated:

> The act must be amended in such a way that when the two organizations—
>
> The C.N.T.U. and the C.L.C.
>
> —are in conflict over a question on which the board must make a decision, the two unions be represented equally.

This means in practice, Mr. Chairman, that there must be more representatives from the C.N.T.U. and less from the C.L.C. The minister has stated that there will be no change in representation on the labour relations board but that new methods would be devised to deal with this problem.

I think we must do something to correct the great feeling of injustice on the part of many trade unionists in the province of Quebec in relation to the board. One long-standing principle of British justice is that justice must not only be done but that it must be seen to be done. According to a great number of people in the trade union movement in Quebec, justice is definitely not seen to be done as far as the Canadian Labour Relations Board is concerned, especially in the matter of jurisdictional disputes.

As we all know, there are four representatives from labour and four representatives from the employers on the board. Of the four labour representatives, two are from the Canadian Labour Congress, one is from the railway unions and the fourth is from the C.N.T.U. In some of the decisions about which the C.S.N. has complained, three of the representatives—the two C.L.C. representatives plus the representative of the railways —have voted against the position taken by the C.N.T.U.

There is also another reason that the number of chairmen should be increased. At the moment, of the nine members of the Canada Labour Relations Board only three are French speaking. If there is going to be equal justice in this country for those who are French speaking as well as for those who are English speaking, then there must be a greater degree of bilingualism among the members of the Canada Labour Relations Board. So far there has not been this degree of bilingualism, the type of bilingualism that the leader of the official opposition has been preaching about since his election but which his chief labour critic does not seem to favour too much. At the present moment, Mr. Chairman, if a union which basically is comprised of French speaking members appears before the Canada Labour Relations Board it must engage a lawyer to represent it who speaks good English. It must make sure that all its representations to the board are understood by the board.

With regard to the method of appointment to the board, it seems to me that while persons from English speaking Canada can be appointed to the board without the necessity of their knowing French, a French speaking member must know English before he can be appointed. Is this the type of justice we are trying to promote when we speak, as the Conservatives do, about respect for the two founding language groups in Canada?

No, Mr. Chairman, there is dissatisfaction with the present setup of the Canada Labour Relations Board. It is not simply that we must make amendments to satisfy one group; we must also be sure we have fair play and that we have justice, especially in the matter of jurisdictional disputes, from the Canada Labour Relations Board.

The Canadian Labour Congress dealt with this question in their last brief to the government of Canada. On page 28 this statement appears:

> We wish to reiterate the position taken by us before the cabinet committee that we do not propose to accede to any change in the composition of the board which would reduce the number of congress nominees and add to that of the confederation. We say this secure in the knowledge that we are indisputably the major trade union centre not only in Canada as a whole but in the province of Quebec as well. The congress alone has members in every part of Canada. We do not propose to subordinate ourselves to a minor organization merely to satisfy the aspirations of its leaders.

As far as I can see, Mr. Chairman, legislation of this nature is not meant to satisfy the aspirations of a minority but to bring about greater fair play and justice. It also seems to me that the Canadian Labour Congress, which is the major labour group in Canada, should not condone the principle of the majority dictating to the minority. There should be justice for minority groups in Canada and recognition of their point of view by boards set up by the federal government.

I should like to quote some of the points made by the C.S.N. in an addendum to their brief to the federal government last year. They say:

> We have frequently had considerable difficulty before the C.L.R.B. A federal body must accept the realities that exist in the country. If this is not done, and if the employees concerned by this matter do not obtain justice, the C.N.T.U. will seriously question its participation in the federal organizations, in the future—

A federal body like the C.L.R.B. cannot directly or indirectly be made the tool to shackle a free union for the benefit of an American union that is unacceptable to its members.

The latter point has reference to a situation where a large number of French speaking employees of the C.B.C. in Quebec rejected the previous union which was dominated by U.S. interests.

I suggest that there is much room for improvement in our labour relations law. The government has appointed the Woods commission to bring forward far reaching changes in the law, but in the meanwhile there are other changes that can be made to effect greater justice and fair play to other groups in Canada, whether they be from Quebec or from outside Quebec.

The minister must be commended for bringing forward this measure. I know that all members of trade unions, whether they belong to C.L.C. affiliated unions or to C.N.T.U. affiliated unions, will appreciate a greater flexibility in questions involving jurisdictional disputes, panels and appeals, thus ensuring a more complete hearing and greater justice than is the case at the moment. This will do much to unify and consolidate the labour movement in Canada.

• (4:40 p.m.)

Mr. Brewin: Mr. Chairman, I should like to answer immediately the point made by the hon. member for Notre-Dame-de-Grâce who has just resumed his seat. I doubt that anybody in this chamber would object in the slightest to any change which might be necessary in order to give fair representation on this board to French speaking members. If that were the purpose of the bill to be introduced by this resolution and if it were clearly set out in that form, I doubt that any member of this house would have any objection to raise.

But it is not necessary to change the legislation in order to achieve the admirable objective stated by the hon. member for Notre-Dame-de-Grâce. There is no need whatever to bring in legislation for that purpose. The government already has the necessary authority to do what is described. There is nothing in the act to prevent it. But if this were the purpose of the bill, why does the minister not tell us? He mentioned no such thing.

The answer is, of course, that the bill does not do what the hon. member has suggested. It does not provide for any additional French speaking members. Indeed, it provides for nothing which relates to the observations made by the hon. member who has just resumed his place. I can only suggest that this is another red herring introduced to prevent our looking very closely at the legislation.

I wish to deal with just one aspect of the resolution and that is the proposal to set up an appeal division. I cannot imagine anything more damaging to sensible decisions in connection with labour legislation than the setting up of an appeal division, a hierarchy of appeals within one single board, especially when this board is dealing with a relatively narrow subject matter. I myself had a good deal of experience a number of years ago with the first labour relations court ever set up in Canada, the Ontario labour relations court which was brought into existence in 1943. I appeared as counsel for a number of the parties before that court. The court did its best. On a number of occasions it rendered decisions favourable to labour, decisions which were regarded as fair.

My point is this. Representatives of both labour and management were agreed that the proceedings of the court were utterly unsuitable for dealing with labour relations matters, and the court was abolished within a short time. What were the reasons for doing so? They have already been indicated by my hon. friend from York South. They are that it is absolutely essential when dealing with labour relations to establish a tribunal which can act quickly and can act on practical grounds, not on the basis of legalistic considerations.

What is the purpose of the legislation now proposed? It is to provide a board which can promote the process of collective bargaining and lead to industrial peace. The main function of this board is to determine who shall represent the workers. If there is to be a hierarchy of appeal procedures set up within this board and if, as is possible, the position is made still more complex by further appeals to the legal courts of the land, we may easily reach a situation which has already been reached in the United States where after a union has applied for certification legal proceedings can drag on for four years, by the end of which time it is possible that the organization concerned no longer exists or the parties have long settled their differences without benefit of the procedures of the law. It is totally wrong to introduce here arguments which are appropriate to the constitution of courts. We are not constituting a court in this instance. Yet we create, in

effect, a court if we induce public spirited people from outside to hear appeals from decisions of the Canadian Labour Relations Board or any division of it.

The minister showed his tendency to think in lawyer-like terms when he referred to the Supreme Court of Canada and suggested that the Canadian Labour Relations Board needed additional panels because they are needed in the Supreme Court of Canada. But the Supreme Court of Canada has to hear appeals in connection with totally different systems of law and it is obviously appropriate in this instance that the court, or the majority of the court, should be trained in whichever legal system they are administering. But here we are dealing with industries which are by definition national industries of national scope. It would be an extraordinary thing were two different groups dealing with the same code, the same system, to apply it in different ways in different parts of the country.

Above all, the proposal to introduce a hierarchy of appeals represents the introduction into the field of labour relations of a concept which has no place there. It could only lead to delay, confusion, frustration and jealousy; it could only make the whole operation fail to do its job in promoting peaceful labour conditions.

When I see such poor reasons advanced in favour of this resolution as those which have been given us so far, I am bound to repeat the question asked by my hon. friend from York South: What are the indirect purposes behind the introduction of this resolution? I do not think we have been given any frank statement. The hon. member for Notre-Dame-de-Grâce suggested a grievance on the part of the province of Quebec. If the purpose of the resolution is to remedy this grievance, let us hear from the minister and consider whether there is a better way of doing it than by messing up legislation which has worked reasonably well in the past. We are all interested in the terms of the bill itself but I express a great deal of reserve about this legislation, relieved only by the undertaking that the subject matter will be referred to a committee of the house where it can be fully examined before second reading.

• (4:50 p.m.)

[*Translation*]

Mr. Marchand: Mr. Chairman, I did not intend to take part in the discussion at this stage. I thought we would have the opportunity of speaking on second reading. If this bill is referred to a committee, I hope it will be after the house had had the opportunity to decide on the principle of the bill. However, as we do not seem to be quite decided yet, I should like to make a few remarks.

It was mentioned, that the field of labour relations is very specialized. It has brought about the establishment of special courts, either for certification or for conciliation. Surely, as was mentioned, the problems involved are not only legal problems, but first of all economic and social problems of a very special character which ordinary courts are not prepared to consider objectively.

In discussing such a bill, however, one can be sentimental or even angelic Mr. Chairman but I think that, at the present time, it is not the government that is evading the issue but those very people who would have this house believe that arbitration boards, labour relations boards are not what they are, that is to say, organizations representing interest groups. And that is not hypocrisy; that is just the way it is.

It happens, for instance, that labour representatives on conciliation boards, if my information is good, never signed a minority report favourable to the employer, and I have no recollection of having seen a representative of the employer signing a minority report favourable to the workers. Even if they are very objective, that never happened.

I have never seen, in the Canada Labour Relations Board, members of the Canadian Labour Congress voting against one of their unions concerned, when it was in conflict with another union. It happened that the members of the Canadian Labour Congress divided when they had to deal with two requests coming from their own central committee, but never in the case of one request only coming from a union under the congress. Evidently, it is entirely coincidental.

There is, of course, that objectivity the hon. member for York South (Mr. Lewis) mentioned. However, his objectivity is only in his head because in practice—and apart from that—the act did not want those people to be objective in the sense that is expected of a judge in a regular court. In fact, there was so little desire for them to be objective that the board was set up on a parity basis: four representatives of the employers on one side and four representatives of the workers on the other. Why was that? If those people are objective, why are they chosen thus on a parity basis in each group? Because it is a well known fact—and the hon. member for York South knows it as well as I do—that

those people represent various interests. It does not mean that they are dishonest, but they are there to represent the interests of their central committee and their affiliated groups and when they do that, they comply with the spirit of the act.

Why say in this house that we are trying to destroy the present objective character of the Canada Labour Relations Board?

Mr. Lewis: Because it is the truth.

Mr. Marchand: It is not true. We want simply to make sure that some present-day wrongs cannot be committed by the board whose members represent interested parties, which is quite normal.

Moreover, I think, personally, that such a representative character of labour relations boards should be maintained, for this is a tried and true formula in the labour relations field. However to say that we would destroy the objective character of the board, just because we want, in some cases, to balance out the board in order to prevent any wrongdoing, is just too much. This argument would hold, perhaps, for someone who has never seen a labour relations board in operation, but I disagree, being quite aware that the people who represented my local within the Canada Labour Relations Board spoke for my local, just like others spoke for the F.Q.W. and employers' representatives spoke for management. In my estimation, there has never been any question of some other form of objectivity in the act.

Therefore, Mr. Chairman, to talk about a subterfuge, is really to go a little far. In fact, when a labour union, which is not represented on the board or has a minority representation, comes before this body and sees its case lost from the beginning or cannot obtain justice, because of the interplay of interests and the natural tendencies and concepts of the representatives, I think that any impartial and fair person should be ready to reconsider the structure of this board—bearing in mind the cases I have referred to—in order that all the Canadian citizens, all the organizations—not only a few, but all—may be assured of a fair treatment by the Canada Labour Relations Board.

Some hon. Members: Hear, hear.

Mr. Marchand: Mr. Chairman, I am not speaking only of the unions affiliated to the C.N.T.U. but of all those which, by accident or in conformity with the constitution of the board, are not represented on this board, because—and our friends in the New Democratic party surely know this as well as I—there are various interests in the labour field. There are the interests of the unions and those of the employers. Because of the differences which exist between the labour unions in Canada, there are presently many cases where the employers, and not the union representatives, decide what union will be recognized. As soon as the union group is divided, the balance of power rests with the management. Is that normal? Is that what we want? Is that the power we want the management to have? The right to make the decisions for their employees, for their union? The opposite is true in other sectors of the economy, Mr. Chairman.

Without mentioning any name, I know that when an employer enjoys a normal and friendly relationship with a labour organization, it is customary for that employer, within the Canadian Labour Relations Board, if that organization has some interests to promote, to support—unless there are policy objections—the union applying for certification, because it is, of course, indirectly in its interest. It is normal. We wanted it that way, so let's not bring up questions of objectivity.

Why, Mr. Chairman, are ministers asked to divest themselves of private interests, of directorships in companies? Is it because the House of Commons does not trust the objectivity of the present ministers or those who might be appointed eventually? It is not for that reason, but because if they had private interests, their objectivity would be in danger.

That does not mean that the members of the board are dishonest people; let no one put in our mouth things we have never said. Personally, I think that the members of the board are honest people, whether they belong to the Canadian Labour Congress or they are appointed by employers. I think that most of them—all those I know, anyway—are people upon whom I would rely in any case, except in cases where they have private interests. It is normal then for the legislator to balance the representation within the board so that the interests at stake are not sacrified to the process of law. That is all we want to do; we are seeking to preserve the principle of representation of the parties concerned within that board. However, it is impossible to have them all represented on the C.L.R.B.

• (5:00 p.m.)

There is, at present, the main labour organization, the Canadian Labour Congress. On the other hand, there is the C.N.T.U. which has only one representative. There are

also other unions, which may be bona fide unions or still to be established, and which are not represented on the C.L.R.B. Does this mean that because they are not represented on the C.L.R.B. they will not have the same privileges as the unions affiliated to the C.L.C.? Does this mean that some citizens, some free organizations in Canada will not be treated like the others? Does the house want to treat various groups differently? I do not think so.

I know full well that certain groups were defeated before the Canada Labour Relations Board strictly bcause they did not have representatives to fight for their interests. It is obvious. Everyone knows it. Look around and see how the world of labour insists that it must be represented everywhere. Is it because labour fears a lack of objectivity on the part of those who are appointed by the government? No. It is because they have interests, points of view and is just what those boards need.

Mr. Chairman, the purpose of this resolution is precisely to see to it that the structure of the board will ensure fairness, not just accidentally, but because it is made up of good men; indeed, its structure should at least ensure balance in every case, especially in cases of conflict.

Now, Mr. Chairman, it has been mentioned—

Mr. Lewis: Mr. Chairman, perhaps I did not understand, but what structural change has been suggested?

Mr. Marchand: I beg your pardon.

Mr. Lewis: What structural change in the board has been suggested, I have not heard anything about it.

Mr. Marchand: It is in the resolution before us, Mr. Chairman—excuse me if I remained standing—where it is mentioned that an appeal division of the board will be provided. For the benefit of the hon. member for York South, this changes the structure, as a matter of fact, it is a new structure. That is why I say that we have tried to create a structure that would really guarantee impartiality.

As far as I am concerned, Mr. Chairman, I am sure of one thing, and it is that a body, like the Canada Labour Relations Board, or any other body set up to render justice in Canada, must provide guarantees of impartiality, and this board, just like any government department, must not belong to any

particular organization. Nobody has the right to monopolize the labour relations boards or any other organization dealing with labour relations. Unfortunately at the present time, it is too often the case. This is the condition which we wanted to correct.

There has been some reference earlier to the splitting of competing unions and to the fostering of division in labour ranks.

Mr. Chairman, I feel that the arguments of upholders of labour unions are very weak when they depend on the law to bring Canadian unions together. I question very much their judgment and their wisdom. The labour movement itself can unify not only its structure but also its bargaining units. When the labour movement must rely on legislation to achieve such unity, I find it extremely weak and disappointing, because under this resolution and later, under the bill, nothing will prevent the unity of the labour movement from trying to have bargaining units of the size they choose.

On the other hand, efforts are made to maintain privileges and particularly to cover the voices of some who are being heard and who, on occasion, are being flattered for other purposes. But when a practical problem arises, it does not work any more, it is good only for statements of principles.

When the special status and the two nations theory or the awareness of various environments in Canada are involved, it always goes well in principle, but as soon as an attempt is made to alter legislation so as to eliminate excessive privileges, to correct abuses, then the question of objectivity and the traditions in the labour world are invoked.

To my mind, Mr. Chairman, the greatest tradition in the labour world is to seek justice not only for such and such a labour organization but for all labour organizations and for all workers.

[*English*]

Mr. Knowles: Mr. Chairman, I earnestly hope that students of this matter will take the trouble to read side by side the speeches that have been made today by the Minister of Labour and the Minister of Manpower and Immigration. Particularly I would ask those who read their speeches to note the purpose of this legislation, first as given by the Minister of Labour and now as given by the Minister of Manpower and Immigration. We were told by the Minister of Labour that there were administrative reasons, a backlog

of work and things of that sort. When my colleague the hon. member for York South suggested there was a certain amount of subterfuge the Minister of Manpower and Immigration came clean—

Mr. Marchand: I rise on a point of order, Mr. Chairman. I did not speak about the panels at all. I think the Minister of Labour referred to the panels.

Mr. Nicholson: On a question of privilege, Mr. Chairman, I know the hon. member wants to be fair but if he will look at what I said he will find that I referred to the fact that as a result of the historical background there would be three members on the board from one organization as against only one from another. Not only must justice be done but it must appear to have been done. That is the import of the statement of my colleague the Minister of Manpower and Immigration.

Mr. Knowles: I still think it would have been better had the ministers compared notes before they spoke rather than attempt to rationalize their speeches afterward. The main purpose of the speech of the Minister of Labour seemed to be to indicate that there were administrative difficulties and a backlog of work and certain other problems to be solved. The Minister of Manpower and Immigration came clean and told us that in his view the general purpose of the legislation is to alter the balance of labour representation so far as the Canada Labour Relations Board is concerned.

The main thing that is wrong with this legislation is that it has been drawn in a dishonest fashion. I say to the Minister of Manpower and Immigration that he is trying to have it both ways. Either the appeal provision and the panels that the Minister of Labour proposes to set up do what the Minister of Manpower and Immigration wants, namely, redress the imbalance, in which case the Minister of Labour is misleading us, or they do not, in which case the Minister of Manpower and Immigration is misleading those who wish this to be done.

I suggest that the proposal by the Minister of Labour that this matter not proceed to second reading but rather be referred to the committee on labour and employment is a good one. I believe in that case we could persuade the government that the bill ought to be torn up and drawn over again. If the purpose of the bill is what the Minister of Manpower and Immigration says it is, then let it be drawn in that way. If there is a backlog which cannot be taken care of by extra days of sittings in the month or if there is a need to get other people on the board to represent other groups, then let them increase the size of the board. The more we look at the proposal and the more the minister tries to justify it the more this legislation appears to be one of these attempts to do indirectly what the government is not prepared to do directly. The best thing we can do in respect of the Industrial Relations and Disputes Investigation Act is to keep the subject matter before the committee until the government decides to bring in a properly drawn piece of legislation or until the session ends.

Mr. Lewis: Until we have an honest piece of legislation.

Mr. Côté (Longueuil): You have not seen it.

Mr. Knowles: The Postmaster General had a piece of legislation which we did not get an opportunity to see either, but we have had statements from the two ministers telling us what this legislation contains. The Postmaster General is quite right; we have not seen the legislation. All we are going to see now is draft legislation. I hope that in that form we will be able to do something about it.

There is another point I should like to make when we are discussing the amendments of the Minister of Labour. We want to complain bitterly and strenuously about the things the Minister of Labour is not bringing forward. May I remind him that four years ago this very month, in November, 1963, his predecessor, the then minister of labour and present Minister of National Health and Welfare, assured us that at the earliest possible moment the Industrial Relations and Disputes Investigation Act would be brought before parliament for amendment with respect to matters that needed amending.

• (5:10 p.m.)

May I remind the minister also that two years ago this month, in November, 1965, the Freedman commission published its report in which there was spelled out a whole new concept of the rights of workers with respect to their jobs. I need not go into the details of the Freedman commission report. In the main, while admitting that management had certain rights, it stated that when it came to technological changes the least that should be done is to make them negotiable with the workers. The right of the workers to their jobs was spelled out very clearly in the

Freedman report. We tried to get something done about that report when we had other legislation before us but we were put off and told that this was something which was related to the Industrial Relations and Disputes Investigation Act and could come in the future. Here we are, two years since the Freedman report and four years since the Minister of National Health and Welfare in his former portfolio assured us that this act would be amended, and we now have before us only the unnecessary proposals mentioned today.

In the meantime the urgency of these other problems has grown. Only a few days ago my colleague, the hon. member for Winnipeg North, asked a question about what was happening to a skilled group of employees, namely the railway telegraphers in the city of Winnipeg and other places who are being laid off because of technological changes. The purport of my colleague's question was, will the government in the near future be bringing forward legislation to implement the recommendations of the Freedman commission? This question was asked on November 27 and is recorded in *Hansard* on page 4716. The minister replied:

> Mr. Speaker, no legislation is contemplated for introduction at this session to implement any such recommendations.

We have heard questions today about lay-offs by the Canadian Pacific Railway to take place between Christmas and New Year's. Also alluded to today by the leader of this group was the question of whether the timing of these lay-offs between Christmas and New Year's will affect the right of these men to pay for Christmas day, Boxing day and New Year's day. This brings up the whole question of the difficulties the Department of Labour has had in administering the Canada Labour (Standards) Code, particularly with regard to both general and annual holidays.

The minister may say that this is another piece of legislation and not the Industrial Relations and Disputes Investigation Act. Let me remind him that not only do some of us think that these various pieces of legislation are related, but when the Canada Labour (Safety) Code was passed by this parliament last session it contained section 30 which gave the commission that is revising the statutes of Canada the power to put into one statute of Canada the Canada Labour (Standards) Code, the Canada Labour (Safety) Code, the Female Employees Equal Pay Act, the Canada Fair Employment Practices Act and the Industrial Relations and Disputes Investigation Act. In other words, by bringing that section before us the minister himself admitted that these various pieces of legislation are integrally related.

It is in respect of some of these other pieces of legislation that we are having difficulty in interpreting the Canada Labour (Standards) Code and in getting the government to move on the Canada Labour (Safety) Code. Something desperately needs to be done about these matters. We get nothing out of the minister about these other problems, yet he comes along today with this piece of legislation that is totally unnecessary.

May I take a moment or two longer to emphasize the seriousness of the problem created by technological change and what it means to some employees. I mentioned the small group of railroad telegraphers who have been told by the C.N.R. that their positions will be eliminated. The employees concerned feel that this is in violation of a clause of their contract and that they should be protected against this kind of thing by labour legislation. I also think they should be protected. In the meantime all the company says to these employees, who at the moment are skilled persons with average earnings of $3.07 an hour, is that there are certain positions in the Canadian National services which are vacant and that they may be able to pick up some of these jobs.

What are some of the positions that these $3.07 an hour telegraphers are being told they can get? There are positions in dining cars at $1.99 per hour and positions as labourers at the Fort Garry hotel in Winnipeg at $1.28 per hour and so on. As a matter of fact the communication from the C.N.R. to these employees lists a whole page of various jobs that are open, but they all range from $1.28 per hour up to around $2 per hour. None of them equals the $3.07 an hour they are now receiving.

Undoubtedly the lay-offs the railways are making at Weston shops at Winnipeg, Ogden shops at Calgary, Angus shops at Montreal, and at Fort William and other places are due in part to automation and technological progress. If there is one overriding factor that faces us so far as the Industrial Relations and Disputes Investigation Act is concerned it is the need for inclusion in that legislation of something along the lines of the recommendations of the Freedman commission report. Yet despite the fact that for four years we have been told that this legislation was going to be amended and despite the fact

that the Freedman report has been around for two years we can still get nothing out of the minister or the government on this very important matter.

The Minister of Labour and his colleague who is now sitting with him, no doubt briefing him on a few procedural rules, go about the country making speeches. The theme of many of the Minister of Labour's speeches is positive industrial relations in the new environment. I have read many of them with interest and I suggest there is a need for positive industrial relations. There is a need for the government to get into the picture and help solve problems rather than fight battles, and I am using some of the minister's own words. One of his interesting statements was to the effect that there is a greater need for more fire prevention officers than firemen. This speech was made in Vancouver on November 7 of this year.

The minister also referred to the task force on labour relations set up by the Prime Minister and headed by Dan H. D. Woods. In the speech he made at Vancouver on November 7 the minister said he was hopeful that we would have the advantage of at least an interim report of the Woods task force within the next few months. If we are going to have any further delay in amending the Industrial Relations and Disputes Investigation Act we should at least wait until we have the benefit of the Woods report. But no, we have nothing advanced on the basis of the Freedman commission report and we have nothing proposed by the government to deal with the serious problems facing railroad telegraphers and the others I have mentioned. No attention is being paid to the suggestions that may have been made to the government by the Woods commission. Instead, we have this piece of legislation today. This is something that the Minister of Labour did not make clear, but it has been made clear by the Minister of Manpower and Immigration.

Therefore, I join with those who have said it is unfortunate this legislation is before us at this time. If it were to carry in its present form, far from doing the things the hon. member for Notre-Dame-de-Grâce and others hoped it might do I suggest it would make the job of the Canada Labour Relations Board impossible, and the reasonably satisfactory job of certification the board has done would become impossible. The net result of all these changes will not be good and will be inimical to labour relations in this country.

For these reasons I am glad the Minister of Labour has made it clear that instead of proceeding with second reading of this bill at the present time the subject matter will be referred to the committee on labour and employment where I hope we will be able to do a real job on it.

Mr. Nicholson: Mr. Chairman, I think this is an appropriate time for me to rise, because it is obvious from what the hon. member for Winnipeg North Centre has said that the intention of his segment of the opposition is to use the fact that the bill may be sent to the committee as an excuse to defeat this legislation. Obviously the purpose of that part of the opposition is to destroy the bill. If that is the intention let me remind hon. members that I made it clear this afternoon that this matter could be dealt with in another way. What I said in answer to the hon. member for Halifax was that I hoped this bill would be referred to the committee at the earliest possible moment. In answer to a further question by the hon. member, who asked if the bill would be referred to the committee before or after second reading, recalling what had happened on an earlier occasion when a bill in which I was interested came before the house and was referred for clause by clause discussion to a committee of the house rather than to committee of the whole, I expressed the hope that in this case we would follow such a course. If the hon. member has in mind that by following this course he is going to destroy a bill that the government thinks is urgently needed at this time I can only say that his hope will not materialize, and the sooner that fact is understood or appreciated, the better.

• (5:20 p.m.)

Mr. Stanfield: Mr. Chairman, will the minister explain what he means? I am a little slow catching some of these nuances.

Mr. Nicholson: For the benefit of the Leader of the Opposition may I say that on an occasion a year or so ago—

Mr. Stanfield: No, Mr. Chairman. My question is, what does the minister propose to do now?

Mr. Nicholson: When the bill comes up for second reading the subject matter will be dealt with in the light of the observations made by the hon. member for Winnipeg North Centre this afternoon.

Mr. Knowles: Mr. Chairman, do I understand that the minister, using his own method of interpreting my speech, is withdrawing

the clear commitment that he gave to this committee?

Some hon. Members: No.

Mr. Stanfield: Certainly he is.

Mr. Marchand: No, that is not what he said.

Mr. Nicholson: There are a few comments that I feel I should make before this resolution is put to a vote. The hon. member for Winnipeg North Centre, commenting on alleged differences in the remarks made by my colleague the Minister of Manpower and Immigration and myself, picked certain statements out of context. I would like to make it clear that when I was dealing with the motion I dealt with all four aspects that are covered in the motion. I referred to clarification of the powers of the board, and I gave an indication of why changes might be needed. I then referred to the history of the board and said there were three votes to one when it came to certain votes within the board. Without questioning the integrity of individual members of the board the fact that I mentioned there were three votes to one is an indication that the government feels that in the opinion of some people at least justice must not only be done but it must appear to be done, and when you get three votes to one this question is bound to arise in the minds of some people.

The Minister of Manpower and Immigration dealt with one aspect only; I dealt with all four aspects of the matter. I dealt with the necessity for clarification and the desirability of appointing an additional vice chairman. I will be perfectly frank and say that one reason I think this should be done is that perhaps 35 or 40 per cent of the applications that come before the board are from French speaking parts of Canada, and neither the chairman nor the vice chairman speak French. Let us be frank, realize this, and agree that in fairness we should have a second, a bilingual, vice chairman so that at least one of the three senior officers of the board has a knowledge of our second language.

Mr. Lewis: No one objected to the second vice-chairman.

Mr. Nicholson: I did not go into detail in this respect because I said the appropriate place to go into it in detail was in committee when the bill was before it. I dealt with the advisability and desirability of having

[Mr. Knowles.]

panels. Panels work well in other tribunals and there is no reason why they should not work here. The work of the board has, as I have already mentioned, increased by about 40 per cent, and having regard also to the changes that have taken place in industrialization in Canada there are good reasons why one panel of the board might not necessarily sit in Vancouver and another in the maritimes or the prairies of western Canada. There is no reason why the whole board should be taken out to these areas when it could sit as a panel, for example, where there is one matter of special interest to workers in the province of Quebec. We do not need the whole board to deal with that question. A panel could deal with the particular problem and another panel could be dealing with a matter of greater or lesser importance in another part of Canada.

The board is comprised of very busy men. It is true they usually sit for only two or three days each month. But they are busy executives as well as labour leaders. If they are to devote more and more time to the work of the board we are not likely to obtain the same calibre of men as we have had on the board. There is an advantage in having them sit in panels as do our courts. No one suggests that we do not get, from any one of the two or three divisions of the court of appeal of the province of Ontario or any one of the two or three divisions of the court of appeal of the province of British Columbia, the same justice as if the full court was sitting. There is an appeal from these courts to the Supreme Court of Canada. They frequently sit in divisions or panels to take care of situations that arise in different areas.

Nobody is trying to suggest for one moment, and certainly the Minister of Labour is not trying to do so, that one of the difficulties we are attempting to overcome in this legislation is not to make sure that not only will justice be done when the board decides something but that it shall appear to be done. That is one of the basic questions at issue today.

Mr. Barnett: Mr. Chairman, would the minister permit me to ask him a question arising out of his discussion of justice being done and the matter of balance? For the information of the committee, could the minister inform us from what sources the present employer members were appointed?

Mr. Nicholson: Yes, Mr. Chairman. I believe the views of the Canadian Chamber

of Commerce are sought. Usually they nominate one member. The views of the Canadian Manufacturers Association are also sought. They nominate a member. The views of the railways are taken into consideration and they nominate a member, although the railway employer representative has been on the board since 1944, I think, when it was originally constituted as the wartime labour relations board. There has never been any change there. He is getting on in years but is still doing pretty effective work, I believe. He is over 80 years of age. There has been no change in that representation for 24 or perhaps 25 years.

Mr. Stanfield: Mr. Chairman, I want to make it perfectly clear at the outset that I am not opposing the passing of the resolution and as far as I know none of my associates are opposing its passage. But I must say to my old friend the Minister of Labour—and anything I say, of course, does not reflect on him—in any personal sense—that I am appalled at what I have seen here this afternoon. The minister gave an assurance as to what the procedure would be, that the bill would be referred to committee after first reading. I do not think there is any question at all as to what the assurance was. One could not help but notice certain conferences taking place after the assurance was given, and now the minister has withdrawn that assurance.

I can only say in a spirit of friendliness to my hon. friends opposite that this sort of behaviour, this giving of assurances and then failing to carry them through, is of course one of the principal reasons why there are few people in the country who have any confidence in my hon. friends opposite.

Some hon. Members: Hear, hear.

Mr. Stanfield: When they give an assurance to the committee they should carry it through. As far as I am concerned, all this has nothing to do with the merits of the resolution and I do not propose, as I say, to vote against it because of the withdrawal by the minister of an assurance he gave to the committee.

• (5:30 p.m.)

As I said to the minister in all seriousness through you, Mr. Chairman, the minister, having made this statement to the committee, should stand by it. It was right of him to have made it in the first place, but now he should stick to his guns. Such action would reflect more credit upon his associates and himself rather than for him to waffle because some of his colleagues have spoken to him and have advised him against this move.

Mr. Nicholson: Mr. Chairman, I should simply like to draw attention to the actual words I used which were: "It would be my hope that it would be done before second reading."

Mr. MacEachen: I think the comments of the Leader of the Opposition require some clarification. To describe the statement made by the Minister of Labour as an assurance is going a bit far. The minister stated that it would be his hope to send the bill to a committee right away, and it is obvious that by "right away" he meant before second reading.

There are only two motions that can be moved. One is for the minister to say: "I move that bill X be referred to the committee", which under standing order 77 would be ruled out of order immediately, and the second motion would be to move that the bill be not now read a second time but that the subject matter of the bill be sent to a committee. We know that this has been done on several occasions, but it has been done in a spirit of co-operation when members of the house were more interested in studying the clauses of the bill than in destroying it. The hon. member for Winnipeg North Centre suggests we should refer the bill to the committee where it will be torn up and destroyed. My hon. friend then complains when the government refuses to do so.

Mr. Knowles: That is not what I said.

Mr. Lewis: He suggested the government should be persuaded to bring in a new bill.

Mr. MacEachen: Yes, so that it could be destroyed in the committee and another bill brought in with different purposes. I think it is going a bit far to suggest that the minister should move that the bill go to a committee before second reading when notice has been served by the hon. member for Winnipeg North Centre that the purpose of the exercise is to destroy the bill.

Mr. Fulton: May I ask the Minister of National Health and Welfare whether, as leader of the house, he is not perfectly aware that he did not enumerate all the alternatives available to the Minister of Labour and to the government? It is perfectly possible for the government to give notice of a motion that the standing committee have referred to

it the subject matter of a bill. This would not destroy the bill but would refer its subject matter to the committee, and its place on the order paper would not be affected. The minister carefully omitted that well understood and frequently used device by which the subject matter of a bill is in fact referred to a committee without there being any necessity for the formal motion that the bill be not now read a second time or any other formal proceeding which would delay or prejudice the bill in any way whatever. The simple course available to the government is to support the undertaking of the minister without prejudicing the progress of the bill through the house.

Mr. MacEachen: Mr. Chairman, we have not opposed sending the bill to a committee. The minister is proposing the reference of the bill to a standing comittee after second reading in the house. What is not being agreed to, and I think we should be clear about it, is the reference of the subject matter to a committee before second reading when it is the clear intention of at least one group in the house to destroy the bill. The only course which the government would have open to it subsequent to delaying tactics in the committee would be to start afresh. My hon. friend has suggested another procedure. Quite frankly I would be happy to consider if if he would give us one or two precedents.

Mr. Baldwin: Mr. Chairman, I suggest it is monstrous for any minister to suggest that merely because two speeches have been made by members of the New Democratic party—and I will not deal with the merits of those speeches—the government will withdraw the clear and specific commitment made by the Minister of Labour. There is no question that it was made. Further, I want to leave this thought with the Minister of National Health and Welfare who has suggested two alternatives. I say to him there is a third alternative, namely that with unanimous consent it is possible to sent the bill to a committee for consideration without prejudicing its place on the order paper. I am quite sure from what has been said that the members on this side would be agreeable to doing this if the minister were prepared to go ahead with his original commitment to refer the bill to the committee before second reading.

Mr. McCleave: Mr. Chairman, I should like to add a few words to this interesting debate.

[Mr. Fulton.]

because it was I who raised the question originally. There was not only one exchange involving the Minister of Labour but two. The first one has already been referred to, but I should like to point out that at least twice during his speech, to which the Minister of Labour was listening very attentively, for Ontario made the following points. First of all, immediately after my exchange with the minister the hon. member for Ontario said: "Mr. Chairman, in view of what the minister has said"—that the house would not be asked to approve the principle on second reading but that every opportunity would be given for representations to be made in committee—"I certainly do not intend to take up too much time at this stage."

May I also say parenthetically that a great many members of the party to which I belong at that point decided to refrain from making representations and to let the hon. member for Ontario speak for us inasmuch as we would have the opportunity to discuss the bill in committee. The Minister of Labour did not rise to speak when the hon. member for Ontario made that point and he did not object to it. Later in the same speech—

Mr. Deachman: Mr. Chairman, on a point of order, is the hon. member reading from a document which is available to members of the house?

Mr. McCleave: I am reading from the running copy of *Hansard* which I have temporarily purloined from a privy councillor.

Mr. Deachman: Mr. Chairman, is it the practice of the house to allow members to make use of the blues? If that is to be the procedure in the house, may we all have copies of the blues so that we can follow the text?

Mr. Grafftey: The hon. member will have the blues soon enough.

The Deputy Chairman: I am informed that it has not been the practice of the house for members to read from the blues, which are not an official document. Since I did not object when the minister did so perhaps the hon. member should also be allowed to do so so that both sides can be heard.

Mr. Lewis: I suggest that the hon. member for Halifax should refer to what was said from memory.

Mr. McCleave: Thank you, Mr. Chairman. I do not quarrel with the decision of the Chair but I have had a chance to refresh my

memory. The second time that the hon. member for Ontario made the point to the Minister of Labour he said, and I recall his words very well, that he had agreed to refer the bill to follow this resolution to a committee before second reading. He said, as I recall his words: The minister has agreed to send the bill to follow this resolution to the committee before second reading. Twice the hon. member for Ontario used the phrase "before second reading". I raised the question twice and used the words, "before second reading".

• (5:40 p.m.)

Then there was an exchange involving the hon. member for York South who referred to all the friendly arm twisting that was going on involving the Minister of Labour and his colleague the house leader as well as the Minister of Manpower and Immigration. An attempt was made to change the meaning even though the Minister of Labour said that he had followed exactly this course on a previous occasion and he did not see why he could not do so now. It is a shame the blues are not distributed to every member in the house because the hon. member for Vancouver Quadra would have to eat his words. We were told one thing this afternoon, and now they turn around and deny what they told us.

Mr. MacEachen: Tomorrow we will all have an opportunity of reading *Hansard* and checking more carefully our recollections of what was stated. I have stated, as the Minister of Labour has done, the reason for not sending this bill to a committee before second reading. I base my conclusion upon two lines of action. The hon. member for Kamloops and the hon. member for Peace River have stated it is possible to move a motion that will allow this to happen, namely, that the bill may go to a committee before second reading without the bill losing its position on the order paper. This suggestion is worthy of consideration and will be considered. We cannot consider any of these devices until the order for second reading is called.

It has to be made quite clear, Mr. Chairman, that the government, as the minister stated, is ready to have this bill go before a standing committee after second reading. There is a debate on whether it should happen before or after second reading and there is a very important principle involved, as has been declared by the hon. member for Winnipeg North Centre. As far as we are concerned we are prepared to have this bill go before a committee. If hon. members can bring forward a method that will retain the position of the bill on the order paper, then we will consider even taking the other course.

However, we are not going to put ourselves in the position, through some procedural device, of carrying out the declared objective of the hon. member for Winnipeg North Centre which is to destroy this bill. He is entitled to do that and he has so declared. We are entitled also to protect an important piece of government legislation.

Mr. Nicholson: If my memory serves me right, on the earlier occasion that I referred to when certain other legislation came up I cannot say whether it was done by unanimous consent but the resolution did not lose its place on the order paper. I can assure you of that. What has disturbed me is the alarming declaration by the hon. member for Winnipeg North Centre that he and his group are determined to destroy this bill. If that is his purpose, then that certainly was not in line with the pious hope I expressed earlier today.

Mr. Stanfield: One of the troubles with this government is that when anything happens to alarm them they change their minds and their positions.

Mr. Knowles: Like most members of the House of Commons—

Mr. Martin (Essex East): That is the way the old leader carried on.

Mr. Ricard: It was effective in 1958.

Mr. Knowles: There are mutterings coming from the Secretary of State for External Affairs which I cannot hear but I am sure they are interesting. As I was saying, like most members of the House of Commons I like to think I carry some weight around here. I did not know I carried so much that I could scare the government away from a position in half an hour.

Mr. Churchill: If you can scare them they are in bad shape.

Mr. Knowles: I hope the remark of my neighbour, the hon. member for Winnipeg South Centre, reached the record. He said that if I could scare the government they are in bad shape. Apparently I have, and they are. Let a couple of statements be clear. The Minister of National Health and Welfare tried to tell us two or three times what the Minister of Labour said. He even read from

the blues, which is not permitted. I do not have any blues so I will not read from them.

An hon. Member: You are in the blues.

Mr. Knowles: I have not even seen the blues. The Minister of National Health and Welfare tells us that the Minister of Labour said he hoped the matter would go to committee as soon as possible. He stops with the word "hoped". Most of us were here and we heard the exchanges that took place. When the minister was asked by the hon. member for Halifax whether he was willing for it to go before or after, he said before. Several times during exchanges with the hon. member for Ontario the minister said, yes, before. On one occasion when he was put into a bit of a corner he said, the subject matter. Well, that is clear; the two things mean the same thing, sending the bill before second reading or sending the subject matter of the bill. It means sending the bill or its subject matter to a committee before the bill has had approval in principle on second reading.

I submit, Mr. Chairman, that when we see *Hansard* tomorrow it will be very clear that the Minister of Labour made a commitment to this committee that the bill would be sent before we had the debate on second reading. Now, for the Minister of Labour to say that commitment is altered because of one speech of mine—boy, I am going to buy copies of *Hansard* for today and send them all over the country. One speech, and I have altered the position of the government. I hope I can do that tomorrow on something else.

An hon. Member: Stanley for leader.

Mr. Knowles: Pas encore.

An hon. Member: Jamais.

Mr. Knowles: Jamais, oui. The Minister of Labour likes to quote the sentence in which I said I was against this bill and if we got it in committee we would tear it up. He suggests that I stopped there, but I did not stop there. I still believe that this bill, as the minister has outlined it to us, should be torn up and that it should be replaced by a better bill that would deal with the problems that are posed by the minister as well as by the Minister of Manpower and Immigration. We should have a bill that deals with the important and pressing problems which I outlined a few minutes ago. To suggest, however, that because I want to get the bill drastically altered in committee the government has a right to go back on its commitment to the committee of the whole is another subterfuge and, as the Leader of the Opposition says, is another example of the reason the Canadian people do not have confidence in this government.

Now, Mr. Chairman, the position of the government was clear when the Minister of Labour stated it. He repeated it three or four times. I suggest that commitment should be carried through and that this bill, before second reading, must go to a committee so the committee can produce a much better bill than the one which has been proposed this afternoon.

Mr. Barnett: Mr. Chairman, I am going to let the house leader in on a little secret. I watched him skittering around from seat to seat at the end of the speech delivered by the hon. member for Winnipeg North Centre. The hon. member for Winnipeg North Centre stated that when we got the bill in committee we would do a job on it. The Minister of Labour interpreted these remarks to mean we were going to do a hatchet job on it, which may or may not be the case. As most hon. members know, the hon. member for Winnipeg North Centre has been the whip of our party for quite a while. Traditionally, of course, the whip is a person of whom we stand in awe. I should like to let the Minister of National Health and Welfare know despite this I am apparently not as much afraid of him as is the minister.

• (5:50 p.m.)

I think the hon. member for Winnipeg North Centre has in part at least, put in perspective what he said, if the minister will consider the full context of his speech rather than simply the last few sentences. He dealt with what we in this party often view as a vacuum in a piece of government legislation. The minister will recall that the hon. member dwelt at some length on the fact that there was no suggestion that any of the principles of the Freedman commission report would be included in the bill.

I share his disappointment that in respect of matters that are really important to the working people of this country the proposal in the resolution, as we understand it, is so barren. I am sure that this disappointment is shared by all members of the New Democratic party in this house. I do not think the Minister of Labour should construe the closing remarks of the speech of the hon. member for Winnipeg North Centre as meaning

that the members of this party are not prepared to give fair examination to the proposals in the bill when we see it, because this we always seek to do. When we express reservations, as did the hon. member for Greenwood, about the advisability of there being an appeal division, we do not necessarily mean we oppose the idea of a second vice chairman.

Anyone who has been in this house for a little while and has observed what has been happening understands perfectly well the situation we are in. Apparently the practical suggestion of the Minister of Labour caught certain of his colleagues a little off base. It seems to me that the house leader became somewhat confused by the haze created by the smoke from the fiery speech made by the Minister of Manpower and Immigration and really did not keep in perspective what has been happening on this side of the house.

I was about to say that I hope the house leader will sober up but I will say "sober down" because this conveys the sense of my meaning a little more accurately. I hope he will not seek to circumvent the statement that we clearly understood the Minister of Labour to make as to his intention. I also hope he will realize that if he does seek to do so at this stage of the proceedings it will only result in needless misunderstanding when we deal with very important questions in the whole field of labour relations and collective bargaining in this country, some of which are perhaps dealt with in the minister's bill but many of which, from the context of the resolution, obviously are not.

My own feeling for what it is worth is that the minister's proposal would enable the labour and employment committee to do something it has not had the opportunity to do for quite a long time, namely, to explore the many important questions surrounding collective bargaining relationships between management and employee as they affect the I.R.D. Act in a broader way than would be the case if we were to confine ourselves to a cursory consideration of the bill after second reading.

I think that the original attitude of the Minister of Labour when he made this suggestion is much more likely to bring positive results than the course he is being pressed to pursue, if I am not mistaken, by his colleague the Minister of National Health and Welfare. I hope that during the dinner recess the government house leader, the Minister of National Health and Welfare, will sort this thing out in a spirit of parliamentary co-operation, somewhat in the vein suggested in an earlier speech by the new leader of the official opposition. As a result the committee would be able to approach examination of what is contained in the minister's bill not without differences of view but in a proper parliamentary spirit, at the same time enabling the members of the committee and perhaps some of the representatives who may appear before it to put forward their views in a broader context than might otherwise be the case if we dealt with the matter as the house leader seems to desire, purely within the narrow context of what will appear in the bill after second reading.

Resolution reported and concurred in.

Mr. Nicholson thereupon moved for leave to introduce Bill No. C-186, to amend the Industrial Relations and Disputes Investigation Act.

Motion agreed to and bill read the first time.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

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 the time of adjournment tonight are as follows: The hon. member for Skeena (Mr. Howard), Immigration, British Columbia—non-participation in refugee settlement plan; the hon. member for Gaspé (Mr. Keays), Canadian National Railways—transportation of live chicks—lower St. Lawrence; the hon. member for Vancouver Quadra (Mr. Deachman), Post Office Department, Vancouver—employment of postal truck drivers.

Pursuant to provisional standing order 6(1) it being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

Hon. P.-E. Trudeau (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure respecting divorce, the grounds thereof, the jurisdiction of the courts, and for the appointment of

certain persons qualified to sit and act as judges and for their remuneration while so acting and for certain other provisions in connection with the administration of the act.

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

[*Translation*]

Mr. Trudeau: Mr. Chairman, for a long time divorce has rightly been a matter for concern to the Canadian people.

We felt duty bound, as a government, to reform divorce laws, to try and bring them more in line with the present social climate, without, for all that, runnng against the demands which are normal and worthy of respect of those who have reticences on that subject.

In trying to draft the present bill we met with two types of difficulties. The first, Mr. Chairman, is related to the field of federal-provincial relations and the second were mainly connected with the matter of conscience troubling a number of Canadians who expressed their views either through the various Churches or outside of them. Those Canadians are anxious, just as I am, to modernize the divorce laws of our society, while complying, at the same time, with that basic requirement that the present government considers essential, namely the necessity of surrounding the family with maximum protection.

With regard to the problems of the first group we proceeded as follows. Starting from the fact that under the Canadian constitution, divorce and marriage fall clearly and squarely within the jurisdiction of the central government we decided against shirking our responsibilities and we drew up an act dealing with the divorce problem, attaching to the solution of that problem measures of a corollary nature, that is which cannot be separated from the effects of a broken marriage as such.

We did so, Mr. Chairman, respecting as much as possible the current traditions and laws in the various provinces. The province of Quebec is known to have, in the field of marriage, a certain number of laws contained mainly in the Civil Code and forming part of the traditions in that province; it was essential that they should be respected.

But it should be remembered that other provinces too have had for a very long time their practices and their courts which, in the field of divorce had adopted certain procedures to which we wanted to bring some degree of uniformity while bringing them up to date.

In regard to the second roup of problems, dealing with those I have included under the heading of problems of conscience and problems often referred to by religious organizations and by the churches, we have done two things. We have introduced in our legislation which Parliament will have the opportunity to see in a moment, special sections requiring the Court and the lawyers themselves to seek to reconcile the parties.

And we have also introduced in our legislation the concept of "the marriage breakdown" which is a concept that the churches themselves, in their joint briefs, have recommended.

This means, Mr. Chairman, that in this bill, we are taking into account, not only of the social problems which had to be solved but of the spiritual and moral problems and of the constitutional and legal problems.

[*English*]

This bill, Mr. Chairman, represents an attempt to codify and extend the present laws of divorce applied in Canada along the lines recommended in the final report of the special joint committee on divorce dated June 27 last. That report contains some 21 recommendations respecting the subject of divorce and related matters. The bill adopts many of these recommendations, some of them in a modified form. In certain instances, the recommendations of the joint committee have not been adopted and with regard to other matters a somewhat different approach has been followed. We shall, of course, be considering these matters in more detail at later stages.

Speaking in more specific terms, I should say something about the grounds for divorce as contained in the bill. Hon. members will be aware that there has been a good deal of debate in recent times respecting the desirability of one comprehensive ground for divorce, namely marriage breakdown. My colleagues and I are aware that views to this effect are widely held by well-meaning people in this country, and indeed many of the Christian churches have advocated this approach.

While recognizing that this viewpoint has much to commend it, the bill has not been prepared on this basis, but retains the traditional marital offences as grounds for divorce, and includes as well a modified concept of marriage breakdown as a new ground for divorce. In so far as we are concerned

with grounds for divorce, the bill can be fairly described as a composite one, recognising both marital offences and marriage breakdown. In this respect, the conclusions of the joint committee that breakdown could not constitute the sole and comprehensive ground for divorce, have been adopted.

• (8:10 p.m.)

The new marriage breakdown principle contained in this bill, since it is to be administered by the existing courts in accordance with our well established judicial traditions, shies away from the vesting of any broad, undefined and uncontrolled discretion in the courts, in favour of a definition of legal rights by parliament. The result is that, the so-called inquest approach to divorce is rejected in favour of the customary judicial approach by which marriage breakdown will be established by evidence or proof of the existence of specified matrimonial situations.

For these reasons the government considers it desirable to maintain the administration of the divorce laws in the established courts of this country, to be administered pursuant to the rules or principles of law laid down by parliament, rather than invest a broad and uncontrolled administrative discretion in some new courts or tribunals.

Notwithstanding that hon. members will find that the grounds for divorce are being substantially extended by the bill, they will find that the bill is not simply or merely a divorce bill in the traditional sense. It is also a reconciliation bill, in that it imposes stated duties on both the legal profession and the courts in relation to the matter of reconciliation, and these provisions have been included in the hope that as many as possible of the broken marriages that come before the legal profession and the courts can be saved.

The government is fully conscious of the important public interest that exists in our society in relation to the maintenance and continuation of marriage and the family unit, where this is possible. The salvaging of marriages is at least as important as the burying of dead marriages that cannot be salvaged. However, a bill directed to the subject of divorce is not necessarily the most appropriate or only vehicle that can be employed to strengthen and give substance to the marriage estate. The government recognizes that financial assistance and encouragement may well be necessary to develop adequate counselling and other agencies that are necessary to deal with faltering or broken marriages, and it is the intention of the government to keep this most important matter under continuous review.

The bill also contains provisions dealing with the law of domicile in so far as the existing law on this subject affects the position of married women in our society. An attempt has been made to place the married woman in a position equivalent to that of her husband for the purpose of obtaining a valid decree of divorce both within Canada and abroad.

No comprehensive bill on the subject of divorce would be complete without provisions for alimony, or pension alimentaire as the civil code of Quebec puts it, and for maintenance and the custody, care and upbringing of children. The bill therefore contains provisions dealing with these matters as corollary relief to petitions for divorce. Alimony, maintenance and custody orders made under the provisions of the statute will be enforceable by law throughout the whole of Canada upon being registered in the superior courts of this country.

The bill also contains provisions that will have the effect of abolishing parliamentary divorce, as we now understand it. In this regard we have departed a little bit from the report of the joint committee, but I think it is a step that this parliament is prepared to take. Therefore the Dissolution and Annulment of Marriages Act is to be repealed and divorce jurisdiction in respect of the provinces of Quebec and Newfoundland will be vested, at least temporarily, in a new divorce division of the Exchequer Court of Canada.

I mention that this jurisdiction might be temporary because the bill also contains a provision which will enable the jurisdiction to be transferred from the Exchequer Court to the Superior Court of Quebec and to the Supreme Court of Newfoundland by a proclamation issued by the governor in council on the respective recommendations of the lieutenant governors in council of those provinces. The idea is not to force upon any province a mode of procedure in the courts that it is not prepared to attain, but to suggest that, when these provinces are ready, we are ready, and that in the meantime we take out of parliament this outmoded way of proceeding, whereby divorces for two provinces had to be dealt with by one of the houses of parliament.

Consequential amendments are therefore proposed to the Exchequer Court Act. These amendments will establish a divorce division of that court, with special provision being

made so that any person who holds, or who has held office as a judge of a superior or county court, may by special request sit and act as a judge of the divorce division. A special provision for the remuneration of such persons has been included to assure the judicial independence of such persons at all times. I am sure hon. members will realize that this is the reason we are proceeding now by way of resolution rather than by introducing a bill right away.

The bill will also contain detailed appeal provisions and a number of other matters that do not need to be discussed at this stage. However, it should be mentioned that there is a clause in the bill which will prevent it from coming into force for at least three months after it has been assented to. This provision has been inserted to permit the holding of such discussions or conferences as may be necessary to facilitate implementation of the new laws throughout the country.

[*Translation*]

I should like to mention here, Mr. Chairman, that such period of consultation should also allow the federal government and the provinces to discuss an extremely important other problem, that of judicial separation.

Hon. members will see that in this bill, we have dealt with divorce only; the problem of judicial separation has been, for the time being, I hope, temporarily set aside. Hon. members will readily realize the reason why we have chosen to proceed in this way. If we had included the matter of judicial separation in this bill, as it would have been easy to do when drafting this legislation, this bill would have raised very complicated problems of implementation in a number of provinces.

I do not refer here, Mr. Chairman, to constitutional problems because, although the matter is debatable, we feel that the judicial separation comes under federal jurisdiction, since it falls readily—

[*English*]

Mr. Baldwin: Would the minister permit a question at this stage? Would he be prepared to say at this time whether or not the government has adopted as being valid the opinion given by E. A. Driedger who, in response to a request from the committee, furnished a legal opinion dealing with matters which are ancillary or related to the problem of marriage and divorce? The minister's answer might be helpful in discussing this matter at other stages.

[Mr. Trudeau.]

Mr. Trudeau: As the hon. member knows, this question of judicial separation is one which draws different opinions from different constitutional authorities. For my part, I am on the side of the opinion which was alluded to by the hon. member; but as the hon. member knows, there are courts in this country which have decided otherwise—not the Supreme Court, but there are provincial courts which have decided otherwise.

Although I do not think that is binding on the government, the argument I was explaining in French, in order to justify not including that part of the provisions in this bill now are arguments of a pragmatic nature.

The provinces have procedures now for judicial separation—that is, most of them do. Even the province of Ontario, which has no law in that regard, has the possibility of solving by contract the problems arising from separation. To implement a bill which would include judicial separation at this time could have meant a very long and justifiable series of consultations with the various provinces. In my estimation that would have meant that such a bill could not be adopted as quickly as I hope this parliament is ready to adopt this present bill. It was my hope that, by dealing strictly with the matter of divorce in the bill, we would be able to get it through the house fairly soon with the co-operation of hon. members, that we would have this law on our statutes, and that we would then, as we negotiate with the provinces the applicability of the law and the change in the court set-up which it will entail in some provinces, tackle the problem of judicial separation, which is a much more difficult problem in pragmatic terms.

(8:20 p.m.)

I am not talking of the constitutional argument now, but rather in terms of the different kinds of laws or practices which apply in different provinces. It has always been recognized that divorce is strictly a federal matter but, as the hon. member realizes, the question of judicial separation is one which is debated. I have made up my own mind, but the Supreme Court of this Country has never declared what the law in this regard is, in the final analysis. It is normal in an area like this that there would be provincial legislation in some cases, because they had the law prior to the B.N.A. Act, and these laws continued after confederation. For this reason we thought it more proper to approach the second problem, that of judicial separation, by consultation. The civil code of Quebec

now deals with the matter of judicial separation. However, as hon. members will remember, the civil code of Quebec dates back to 1866, one year before confederation. Had we adopted anything without going through this type of consultation in respect of judicial separation, we would have been changing part of the civil code of the province of Quebec.

As I say, we could do this constitutionally, but this is not the kind of thing we should like to do without a great deal of prior consultation, especially due to the fact that the province of Quebec now is in the process of redrafting its civil code and the chapters on marriage. This type of argument is also true in respect of some of the other provinces which have varying provincial laws on matters of maintenance, the consequences of a judicial separation, and so on.

[*Translation*]

Mr. Chairman, that is why we have thought it simpler, in this bill, to deal only with divorce proper and its immediate aftermath. This three month period, following the enactment of the bill, shall be used not only to consult with the provinces, but also to discuss the extremely important matter of legal separation.

[*English*]

Mr. Stanfield: Mr. Chairman, in just a few words I should like to indicate that we on this side of the chamber approve of reforming the divorce law, and consequently look forward to receiving the bill and examining it in detail. I do not propose to make any comment upon what the minister has indicated will be contained in the bill because, since the bill is already drafted, obviously anything I said would not in any event affect the measure as introduced. So, I should like to say simply that we will approve of the resolution and look forward to seeing the bill.

Mr. Brewin: Mr. Chairman, I should like my first words on this matter to be those of relief and pleasure at being in this house when, at long last, a measure of reform of our divorce law is to be brought before the house. I should like to congratulate the minister on having the honour to be the one who is introducing this legislation.

The archaic divorce laws we have had have caused untold misery to many thousands of Canadians. This measure of reform is long overdue. As the minister pointed out, parliament has had jurisdiction over this matter for over 100 years and yet has never boldly exercised it in any way. It has legislated in a piecemeal way, usually merely by introducing the existing laws of England at particular stages of our history.

Mr. Chairman, not having seen the bill, I do not think at this stage it would be appropriate for me to enlarge on this matter at any length or comment at any length on what the minister has said. I think perhaps it is a truism, although one which I think ought to be said, that, notwithstanding the pessimists, marriage is thriving in Canada, fortunately very many Canadians find in the marriages and families a very great source of happiness. All of us must be concerned that we do not do anything to undermine or defeat the institution of marriage.

I believe we also must recognize that, despite any individual views of our own, none of us has any right to impose on others views which no longer are socially acceptable. One thing on which most, if not all, of us will agree is that the present law is entirely unsatisfactory. The single ground of adultery is a superficial and inadequate ground. It leads not only to the commission of the offence but also to fabrication and perjury which are a disgrace to the courts. There is also the problem of those persons who, finding marriage unacceptable or impossible, form common law unions, stable unions which can never be normal unions so long as divorce is what it is at the present time. There is the problem of children of such unions.

The minister has said that by and large the report of the joint committee, on which I happened to be a member, will be largely accepted. I cannot refrain, however, from expressing a measure of regret that the legislation is not accepting the clearcut choice which exists between the two basic theories in respect of the dissolution of marriage. One is that the grounds of matrimonial misconduct upon which divorce can be based should be enlarged. The other is that the dissolution of marriage should be based upon the declaration that the marriage is dead; that is, that the marriage has broken down, and that there exists no longer any hope of reconciliation.

This is not divorce by consent; it is divorce by judicial decision. The mind of the judge would be directed to the question of whether there is hope of reconciliation, and not to the hopeless and futile exercise of deciding whose misconduct was responsible for the breakdown of the marriage. We would have much preferred to see the government accept the recommendation made initially by the

United Church and concurred in by many other churches. This is the recommendation that breakdown be the sole ground for dissolution of marriage. When I say "we" I am not of course speaking for my own party; I am speaking for some of us who were members of the committee, who looked into this matter and heard the representations which were presented. The reasons for stressing breakdown are many. I will not enlarge on them here. I feel, under the compromise choice that the government apparently has adopted, that lawyers will still advise their clients to go on the simple ground of matrimonial misconduct and that we will still be back to the same old questions.

Mr. Trudeau: Would the hon. member permit a question. As a lawyer, does he not think it is preferable that parliament should indicate to the courts the grounds which the lawmakers themselves feel indicative of a breakdown, rather than leave to the court the administrative freedom to make this kind of decision; is there not a question of legal propriety involved in this?

Mr. Brewin: I think not. I believe the courts are perfectly competent to determine whether the marriage is in fact dead, for the many different reasons which may have resulted in this unhappy outcome. I think once you specify grounds you limit the grounds. Once the marriage has broken down, then I suggest the marriage is dead and it is the duty of the court to dissolve it.

• (8:30 p.m.)

Let me suggest that the basic ground involved in the breakdown of a marriage should be the finding of a court that there is no hope of reconciliation. The causes for that situation may be very many, including adultery, cruelty, desertion or a hundred and one other things. Once this fact, the fact of breakdown has been established, whatever the reason may be, then the court should be empowered to take action on that finding.

It is my personal belief that the courts can determine this question just as well as they determine today whether a mother or father under certain circumstances will make the best and most responsible individual to raise the children. This is a very general question, but I believe the courts can determine it, and should have assistance from social workers and others who have studied the background of the marriage in question.

Mr. Trudeau: Could I ask the hon. member another question? If our bill included the marriage breakdown concept would the hon. member see any objection to keeping also the other concept of marital offence?

Mr. Brewin: Yes. I wish I had time to go into this at length, and perhaps on second reading I shall attempt to do so. I recommend that the minister should look again, as perhaps he has already done, at the very excellent survey of this whole subject called "Putting Asunder", which is a report made by a committee appointed by the Archbishop of Canterbury. That committee comprised a number of judges, sociologists, lawyers, groups of doctors and other people who, having had a law which enlarged the grounds for matrimonial misconduct on which divorce was based since 1937, came to the conclusion after careful study that this is not the best approach, but that the best approach was based on the principle of marriage breakdown, the other things being symptoms rather than causes.

Mr. Allmand: May I ask the hon. member a question? If we accept the marriage breakdown concept, is the hon. member not afraid that different judges in different parts of the country will devise their own philosophy of marriage breakdown with the result that in some jurisdictions it will be easier to obtain a divorce than in others, because in some areas there will be more liberal minded judges?

Mr. Brewin: I am not quite sure whether the hon. member is a lawyer, but if he is he will know that of course the personalities of judges differ. But there are rights of appeal, and jurisprudence can be developed on this subject just as well as on other subjects, such as the meaning of cruelty. I take it that the act will include cruelty as one ground for divorce. This is also a vague and general provision, yet the courts have to determine what is cruelty. One judge may recognize cruelty much more easily than another. I think this is inevitable in any human judicial system. I do not think this is a good enough reason to reject the concept of marriage breakdown.

I was attempting to deal briefly with a summary of my reasons for thinking the marriage breakdown concept is the best approach. In my view, and in the view of others, this system gets away from the present requirement for sordid proof of adultery. That is my first reason. The second is that it would afford in all cases the necessity of the court seeking a reconciliation, or at least the determination that the parties cannot be reconciled. I had hoped to hear the

minister say that some such provision would be included in the bill, but I cannot judge the bill until I see it. In any event, the whole concept of breakdown necessarily involves in almost every case a judicial investigation of the question of reconciliation.

Finally, this concept gets away from the false notion of a breakdown of marriage based upon matrimonial misconduct where one party blames the other, which is totally unreal I suggest in 99 out of 100 cases. The view I have expressed is not my own view or the view of a few people. It was supported before the committee by the United Church of Canada, the Anglican Church of Canada, the National Council of Women, the Canadian Mental Health Association, the Canadian Jewish Congress, the Canadian Comittee on the Status of Women and a number of lawyers and individuals who appeared and gave evidence. It is not in any light-hearted way that we put this suggestion forward.

I can understand that it is perhaps difficult to break away from traditions of the past, but I should like to express my regret that the government has not seen fit to accept what we believe to be the best approach, and has accepted what we consider to be the second best approach. This is not the time to go into this matter in great detail, but I should like to give the committee the definition taken by the law reform commission in England as to what a good divorce law should be. Good divorce law should seek to achieve the following objectives: to buttress rather than undermine the stability of marriage and, when regrettable the marriage has broken down, to enable the empty legal shell to be destroyed with a maximum of fairness and a minimum of bitterness, distress and humiliation.

I believe this bill will go some way in that direction, but there are improvements which can be made. It is my hope that the minister will be flexible, as I think he usually is, and will listen to suggestions that may be made at the committee stage. I understand there is to be provision in the bill for dealing with problems regarding the maintenance of a divorced spouse and children. This is as it should be and I hope there will be effective means for enforcement of any order that may be made in that respect.

We in this party and the people of Canada generally await with interest the specific wording of the bill. I have criticized the choice of the government and I will stick to that criticism. I regret that it has accepted something I think is second best. Nevertheless I should like to end as I began, by saying I think the minister shoul feel proud and honoured to be introducing in this house the first comprehensive measure on divorce reform this parliament has ever seen.

[*Translation*]

Mr. Laprise: Mr. Chairman, I would like to say a few words about this bill related to our divorce laws.

If I understood the minister's remarks correctly a few minutes ago, he stated that his bill was not meant to promote divorce as such, but rather to improve the current situation in Canada.

Now, if this is the purpose of the resolution and the bill to follow, I should say immediately that I support the minister, for I, too, believe that our divorce laws may need some improvement and amendment.

However, to improve the situation in a permanent and efficient manner, the government should particularly try to eliminate or prevent the causes of misunderstanding between members of the same family. Now, I think that poverty and destitution are the main factors of disunion, which unfortunately lead too often to a separation or a divorce. Those are two of the main reasons for disunion or misunderstanding, and I think the government could eliminate those points further by adopting truly social measures.

There are other causes as well. For example, I often see heads of families forced to go quite a distance to earn a living for their families and they are therefore unable to go and see their wife and children very often.

In my opinion, Mr. Chairman, that is often another cause of disagreement and quarrel within large families, and I think a way might be found to prevent this. Today, heads of families are often forced to work far from home, in large as well as small towns. Moreover, the wives leave to seek outside work in order to make ends meet. Quite often, the husband and wife do not work the same hours; one works in the daytime, another at night, and sometimes vice versa. This means that sometimes they do not see each other for weeks. I think that there also social organizations should exert themselves on correcting this irregular situation.

There is a third cause which I would like to mention to the minister to-night, I mean alcoholism which is already widespread and is spreading even more, and which is a main cause of divorce, of discord. Alcoholism is spreading more and more in our country and

we notice that it sows the seeds of discord in homes and entails poverty. So when the wife—sometimes it is the husband, because alcoholism is spreading more and more among women—is weary of such of life, she is prompted to request divorce.

• (8:40 p.m.)

So, I think we could almost completely eliminate the situations due to alcoholism by organizing an efficient war on this national plague. I understand that the Minister of National Revenue (Mr. Benson) would find a reduction in his revenue, but I think that the whole population of Canada would gain considerably.

The best way to fight divorce is to eliminate its causes as much as possible. Obviously, there will always be some, but several can be eliminated if we work at it efficiently.

Whatever the bill the minister may introduce in the house, I hope that he will respect the sacred nature of marriage, the very basis of any society. In fact, if we go back in history we realize that the peoples, who are said to be the least civilized, attach great importance to matrimony and were respectful of it. So, we, who claim to be civilized, should be capable of bringing down the necessary legislation, effective legislation to improve the situation of our Canadian families.

[*English*]

Mr. Johnston: Mr. Chairman, I am sure that as the Minister of Justice spoke this evening his words were accompanied by a flutter of hope across this country from all those people who have waited so long for action in this regard, the people who have written to us as members of parliament, the ones who have signed their names and the ones who have not, and the ones who have been voices in the night on telephones wondering when something was going to be done, and hanging up in the midst of the explanation that it would take quite a bit of time before something could be done. I am sure that along with hope, scepticism will come from the thought that this chamber will spend too long debating a bill which I am sure will achieve a great measure of agreement across the country.

Surely by now we can separate the moral standards that individuals or groups of people might demand of themselves from the standards that should be written into the law of a land that has become increasingly secularized. I was pleased to hear that the minister added the marriage breakdown concept to the grounds for divorce, thereby going beyond the report of the committee.

[Mr. Laprise.]

Mr. McCleave: That is not correct.

Mr. Trudeau: That is quite correct.

Mr. Johnston: I hope this chamber will not spend too much time in a contentious debate as to who is right or wrong and who has gained or lost in this regard, because surely if we pass the bill it will be given the test of time. If the grounds spelled out in legalistic terms are no longer necessary, their use would wither and the use of the marriage breakdown concept would grow; on the other hand, if it proved too contentious the reverse would be true and one would wither and the others grow.

I would add only one more thing, namely the wish that somehow we could prepare the sort of legislation that would make marriage itself a little more difficult to enter into, even as we are about to make it easier to dissolve. Surely one of our problems is that it is far too easy to enter into this most important contract, and subsequently to spend far too long trying to dissolve a contract that should never have been entered into in the first place.

Mr. McCleave: Mr. Chairman, many of us have waited a good long time for this particular night. Quiet though the atmosphere be, it is a source of satisfaction to many in this chamber and many in the other place. In my own case I have been interested for a period of nine years in this subject, and I see members around who have been interested in divorce law reform much longer than I have. I know that in the other place new measures were introduced as far back as the start of the second world war, and foundered when they came over to this chamber.

I would like to compliment the Minister of Justice, a member of the swinging set, if I may say so, for bringing in the legislation. As I understand his remarks, the bill is largely based on the report of the divorce committee. The chief author of that report is our oldest parliamentarian, Hon. A. W. Roebuck, who will shortly celebrate his ninetieth birthday and who threw all his energy into about two years of intensive work to make this legislation possible.

There are five points I would like this house to consider. I am going to make a suggestion as to how we could tackle divorce reform and put it on a more systematic and

less of a centennial basis than we have in the past. With regard to the question of grounds for divorce, I think the Minister of Justice said that the legislation followed pretty well the report of the divorce committee. I would appreciate it if he would indicate whether that is true or not.

Mr. Trudeau: Fairly well, but not completely.

Mr. McCleave: The minister says fairly well, but not completely. I can understand that. There are in the committee report some grounds for divorce that probably would not appeal to all hon. members or to certain members of the government. I hope that when we deal with the bill before us there will be a free vote on each of the grounds set forth in the committee report, so that the conscience of the members can be exercised in individual cases. For example, if the bill were to include divorce on the ground of illness—and I do not know if that is contained in the legislation, but it certainly was in the committee report—then I believe it would be more satisfactory if we had the opinion of some 200 members of the House of Commons with regard to that particular ground for divorce than only the opinion of the smaller group on the committee.

• (8:50 p.m.)

The hon. member for Greenwood has flogged one ground for divorce which has been pretty well kicked around during the year of committee discussion, that is the addition of a brand new approach, namely that of marriage breakdown as a specific and individual ground.

I wish to point out to the committee that this has been thoroughly touted and that the ideas of the hon. member for Greenwood, attractive though they may appear to be, have been shot down by a rather impressive commission of hard-nosed people in the United Kingdom who have examined the problem of marriage breakdown. The ideas that the hon. member put forward have also been snowed under by any group that I have heard discussing this matter in the House of Commons.

But be that as it may, whether one considers marriage breakdown as a ground for divorce, or recognizes the recommendations contained in the report, I would suggest that in examining all the possible grounds for divorce the only one that has been left out is that of people living together in conditions of extreme incompatibility. I believe that every other situation which could arise is covered first, in the committee report, where it mentions adultery, rape, sodomy, bestiality, cruelty, desertion, non support, bigamy, non-consummation; and then there is recognition that marriage breakdown can arise for five reasons, namely illness, criminality, imprisonment, alcoholism, drug addiction, desertion and separation. I suggest that possibly we were not exact enough to rescue men from marriages in which the female partner is a practising lesbian, but I think this can be cured by a simple amendment, if it is not already contained in the legislation before us.

The second point deals with the rights of women and children, and I am glad the Minister of Justice clearly indicated that these are ancillary rights which can be dealt with in divorce cases.

The third point on which I should like to comment briefly is one on which action is now being taken. The woman in this country have been at a disadvantage in the past by being tied to her husband's domicile, with the exception of the 1930 amendment regarding desertion, and it is a welcome change that this defect in the legislation is being overcome.

The fourth point is the question of court procedures. We are pleased that the Quebec and Newfoundland cases will be booted off parliament hill. The last time they were swiped they were kicked from the Senate building over to the west block and in my opinion there is no reason why they should not go into some building outside parliament hill. I share the hopes of the Minister of Justice that the Quebec and Newfoundland cases will eventually find their way into the courts of the respective provinces. I think the formula he suggests in that regard is an appropriate one. It is difficult not to support it in view of the fact that it must cost the litigants who come before us anywhere from $1,000 to $1,500 above and beyond what they would pay in the courts of other provinces if they were not living in Quebec or Newfoundland. Since there is little enough money in any marriage, if there is any money to be spread around it should go to the women and children and to the establishment of new homes. This is a step in the right direction. I hope the minister has included the hearing of cases in county courts, as I gather is the case. The committee felt that this would make it financially easier for the petitioner to have their cases heard.

Finally, the fifth point is on the reconciliation and saving of marriages. I must confess

that I think the committee did not get its teeth properly into the subject. I believe action should be taken in the house with regard to the question of saving marriages. Although we must not forget that parliament cannot legislate good marriages, perhaps we can take certain steps, which suggest themselves on the basis of experience in the United States for example, to help, counsel and possibly to same marriages. My own studies in this field indicate that only 10 per cent of divorces can be warded off in this way, but when we consider that there are 8,500 divorces in the whole country and that this number is bound to double under the new legislation, even 10 per cent is a worthy objective.

Finally, I suggest to the minister that after a reasonable period of five years during which time this legislation would be in effect, judges should be consulted on how they feel the law could be strengthened. When the committee was meeting I know that any time I spoke to a judge about the divorce problem and about how it should be dealt with, I received good advice from him which I passed along to the committee. I think there should be more liaison with the judges on this matter. Further, I should like to suggest to the minister that social workers and other persons working on the matter of reconciliation should be consulted to see how effective we are in this area.

May I conclude by saying that the legislation has been a long time in coming, but I am very satisfied that it has.

Mr. Basford: Mr. Chairman, I intend to be very brief and to add only a few remarks to what has already been said on the important resolution before us. This is a historic night for thousands of Canadians, when finally the parliament of Canada is devoting itself to passing a resolution dealing with divorce reform.

Many of us on both sides of the house have worked for many years toward amending our laws on divorce. Speaking of myself, shortly after I became a member of the house I joined many others in introducing private members bills on the subject, in the hope of getting the government to take some action in this regard and to introduce divorce reform measures.

• (9:00 p.m.)

I wish to congratulate in the fullest posible terms the joint committee of the Senate and the House of Commons which has examined this subject, and to compliment the Minister of Justice and the government for having the courage to deal with the subject and to introduce a bill. It has always been said, certainly to me, that divorce reform was some sort of Canadian sacred cow with which politicians could not deal. I know that I have had many politicians with long experience say to me: Young man, you should not talk about divorce reform or urge that we deal with it; it will get you into nothing but trouble. I do not believe it is a sacred cow. I am delighted to learn that the Minister of Justice does not think so, and has had the courage to present a resolution covering a very comprehensive divorce reform measure.

In the past, of course, this government has attacked a number of other things that have been regarded by Canadian politicians as sacred cows, things with which governments should not deal. I refer to the flag, the anthem and many other subjects. I am delighted to learn that the Prime Minister and the Minister of Justice are prepared to tackle controversial subjects which it was always thought governments would be well advised to leave alone. All of us who have had any dealings with divorce, either as lawyers, members of parliament or members of a committee, know the tremendous heartaches, hardships and suffering which result from our present stupid and antiquated divorce laws.

We have in British Columbia, the province from which I come, a divorce act which came into force on November 18, 1857. In my view it is one of the greatest centennial presents we could give to the people of Canada when, 110 years later, this parliament is finally bringing into force a new divorce act. As I say, we have been dealing with a divorce act in British Columbia, and in most of Canada, that is 110 years old. I know there are hundreds of thousands of Canadians who will express their thanks to the Minister of Justice and to this parliament for finally getting around to dealing with this subject of divorce reform. There are many Canadians, I believe, who feel that what takes place in this chamber is quite removed from the ordinary problems of life, and that parliament is sometimes rather remote from the ordinary difficulties many people have. I believe that in this measure we are debating tonight we are showing the Canadian people that we, as

individual members of parliament, are concerned with the problems which affect ordinary people, such as deserted wives and uncared for children.

As I say, I should like in a very few minutes to record my appreciation to the government and the minister for introducing this measure. We are of course discussing a resolution which precedes a bill, and should not deal with the details of the bill which will follow. I only hope the bill will receive speedy passage through this house, so the people who are suffering under our present divorce laws will be able to receive some relief under the new act.

Mr. Peters: Mr. Chairman, I want to congratulate parliament on the step being taken tonight. During the last ten years we have sat in this house for many hours discussing the problem of divorce. I think we have raised this problem, from the point where divorce was a dirty word which no one would use to the point where the situation became so bad that all the news media in the country were pointing out to members of parliament that we were many years behind the times, and the need for reform was urgent. Reform was acceptable to the people but members of parliament were still dragging their feet.

There were many members of parliament who participated in the divorce blockade a number of years ago. I think of the hon. member for Halifax who spoke a few minutes ago, who took one side, and I took the other. I believe this controversy brought about the acceptance by parliament of the fact that the problem should have been solved many years before. I can remember a prime minister one night almost getting down on bended knee and talking about the 1500 people who were involved in divorce bills. He said the fact we were holding up these divorces might mean many children would be born out of wedlock. Well, Mr. Chairman, I think the government has finally decided to do something for these people. They have decided to take a look at the neglect that has occurred in the field of social legislation for many years, and which has produced hardship for many people.

Let me say that on many occasions the hon. member for Skeena and I wondered whether or not we were right in taking advantage of the very unusual circumstances which allowed us to hold up these divorce bills, in the hope that eventually parliament would reach the conclusion something had to be done about the situation. I am happy to have been able to be in this parliament when the government finally decided to introduce this measure. I certainly appreciate the things that have been done by many people over the years. I am thinking of people in the news media who wrote articles and who appeared on television interviews to discuss this controversial problem. Eventually every person in the country obtained sufficient knowledge to enable him to decide whether or not to support our archaic social laws, or whether they should be changed.

I am proud also that the present Minister of Justice has continued a concession made by a former minister of justice. It was the late justice minister Favreau who introduced the first change by establishing procedures for divorce in the Exchequer Court, rather than the parliamentary procedure, thus making possible the end of the blockade. This course had been advocated many years before by the hon. member for Winnipeg North Centre, who has always been impressed with the idea of having the Exchequer Court as the divorce court for those provinces that did not have divorce courts.

Mr. Chairman, we are delighted with this resolution; but we should also speak about the other social problems we must face. I am thinking of the discussions that took place during those years when we fought for divorce reform. I know there were many members who believed as firmly as I did that divorce reform was absolutely necessary. During that period the news media were willing to publicize many of these social problems, and I am pleased to note the Minister of Justice is going to do something about them.

I can remember the time when "divorce" was a bad word and we used to pass divorce bills 100 at a time. Nobody cared about them, and cared less about whether the children would have any maintenance. I remember one case in which the hon. member for Timmins and I were interested. The husband had accumulated a million dollars by investing $25,000 that his wife had, but in attempting to get rid of her he was providing nothing for her. If he had been successful he would have turned her out on the street without a cent, and this because of the action of this house.

• (9:10 p.m.)

I think it is safe to say that abortion is another matter the minister will have to look at. I am not referring to aborting a mother

for clinical reasons; I am referring to abortion in cases where it is a question of the woman not wanting to have a baby.

We will have to look at the problem of homosexuality from the point of view of at least allowing acts between two consenting adults conducted in private, as is now the case in Britain. I am also sure we will come to legalize birth control. Another area we will have to look at is what in my opinion are the crazy social laws of the church which were introduced four or five hundred years ago. These were enacted into legislation in Britain, and we have inherited them. The province of Quebec is even further behind because they inherited similar laws from France, and the Napoleonic code was even more archaic in outlook that the British law.

Since we have provided some relief in the matter of divorce, as the hon. member for Greenwood stated I think we might as well go all the way. When a partnership breaks down it might as well be dissolved. That is true of any partnership. I sympathize with the Minister of Justice. He did ask the hon. member for Greenwood whether he thought the courts were sufficiently equipped to handle the question of marriage breakdown. Personally I should like marriage breakdown to be the only ground for divorce. It cannot be an added ground; either it is a legal partnership which is continuing, or it is one that has broken down and should be dissolved. I do not think you can have it both ways.

I too am wondering whether the courts are sufficiently equipped to provide the kind of surveillance that would be required in cases of marriage breakdown. This also raises the question of what the courts have been doing hitherto. I have talked to a lawyer who has handled hundreds of divorce cases and it is his opinion that less than 10 per cent of these cases actually involve adultery. Everyone in court has known that the litigants have been telling lies. I feel safe in making that statement because at one time the hon. member for Skeena and I sent out 1,400 letters to respondents and corespondents, and we found that at least 400 of the names were fictitious. Some addresses did not even exist. I am sure the judges who tried these cases also knew they were false, and that most of the cases were rigged. Even where adultery was involved the woman in question was not the intended future partner of the respondent, but a woman who had been hired for a few dollars. Everything was a nice neat little package.

I am very proud that the minister appears at last to have taken the step of deciding that the federal government will have a say in the disposition and maintenance of children of divorced parents. Children are part of a marriage, and under the terms of the British North American Act they come under the jurisdiction of the federal government in such cases.

I wish to say very little more, Mr. Chairman, except that it gives me a great deal of personal satisfaction that the government is now introducing this legislation. I suggest to the minister that he will find himself in the same position as the former minister of justice, both of them being Catholics and coming from the province of Quebec. We were very worried about the position that might be taken by other agencies in that province, but I was pleased to find, after talking to the former minister of justice that he had not received one complaint about the change that was made during his term of office. For 50 years advisers to the minister of justice had argued that divorce by parliament was an exception to the rule: that divorce through the courts was not a right. But as I anticipated, the minister experienced no complaints, because the social reality of the situation demanded a change.

I think the minister has given a Christmas present to the 500,000 people that the Canadian Bar Association state are engaging in common law relationships. The value of this the minister will not realize until he starts to receive the mail that I am sure will flow when the legislation is passed. I am also sure that these relationships that have been established but not legalized will in most cases be legalized, and will probably become lasting unions which will be a credit to Canada. If the minister of immigration has been happy over the years at the arrangements that have been made to legalize the position of Chinese immigrants, I am sure the pride of the Minister of Justice will be that much greater because of the role that this legislation will play in the lives of a large number of people.

Parliament itself is to be congratulated on this proposed change, as are the members of the divorce committee and the members of the press who gave the buildup that has been necessary to bring about this social change. I could single out many who made a great contribution to the step that members of parliament are taking tonight. The role played by the communications media in establishing this social change has often been ignored.

This recognition is long overdue. Members of parliament are now striking out in a new direction and bringing in new legislation, not necessarily because it has been tried and tested in other countries but because we in Canada have decided it is good for Canadians. For this, parliament should be congratulated, and I hope that during the next ten years I am here I will see other social problems, that hitherto have been taboo, dealt with as realistically as the minister has dealt with this particular social problem.

Mr. Nugent: Mr. Chairman, I do not intend to be very long. I had not intended to take part in the debate at all until I heard the speech of the hon. member for Vancouver-Burrard. I think everyone in the country is glad that this measure has finally come before the house. I think the country is ready for this change and I am sure the whole house will co-operate in passing the best possible bill.

I did think that the members of the house and the people of the country might take umbrage at the remarks of the hon. member for Vancouver-Burrard, who said that this government was not afraid to tackle sacred cows. The hon. member took a partisan approach, and then had the effrontery to liken this measure to the flag debate, for one, an occasion when the government had the stupidity to make a political football out of something that meant a lot to many people of this country. The government handled the matter very ineptly and made a great fuss about it when there was no need to. The hon. member for Vancouver-Burrard, having shown an inclination to make a political football out of this matter, evoked the unfortunate reminder that this is a government that is accident prone and chooses the hardest possible way to do things.

• (9:20 p.m.)

Perhaps right now would be a good time to put in a little reminder that this is a subject of great importance to many people in this country. It is one with many aspects. Many people who are not themselves interested in obtaining divorces are watching very carefully to see how parliament will handle the issue. I suggest that the spirit in which the minister began the debate is the proper one, and that all hon. members of the chamber will co-operate—though we would be more confident of a successful outcome if we could forget the unfortunate predilection of this government for mismanaging an affair, no matter how well begun.

Resolution reported and concurred in.

Mr. Trudeau thereupon moved for leave to introduce Bill No. C-187 respecting divorce.

Motion agreed to and bill read the first time.

BRITISH COLUMBIA-YUKON-NORTHWEST TERRITORIES BOUNDARY ACT

ADOPTION OF BOUNDARIES AS SURVEYED AND MARKED

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources) moved the second reading of Bill No. S-19, respecting the boundary between the Province of British Columbia and the Yukon and Northwest Territories.

Mr. Dinsdale: I presume that on this important and historic occasion the minister will have just a brief word to say.

[*Translation*]

Mr. Pepin: Mr. Speaker, the bill now before us is simply designed to define the boundary between British Columbia and the Yukon and Northwest Territories. It is not an extraordinarily important event in the legislative technique, because if you recall, last year I introduced similar bills in the house to define the boundary between Saskatchewan, Alberta, Manitoba and the northern territories.

My hon. friends might be more interested to know that the bill was discussed in the other place on June 30 and on November 7, 1967 and that it was passed on November 8, 1967.

There is no change in the boundary itself, since the 60th parallel of north latitude is already indicated as the boundary in that area in several documents as for instance, the Imperial Act of 1866, the Yukon Act and the Northwest Territories Act. As a matter of fact, these acts provide that the northern boundary of British Columbia is the 60th parallel of north latitude.

It is not a question of changing but of defining. Before this, as there were no markers on land, it was very difficult if not impossible to identify the boundary. It can be easily imagined that it may be extremely difficult for hunters, prospectors, or prospective buyers of land, for mining companies to make proper identification and it is easily understood that it must be useful for the

federal and provincial administrations to know just where their jurisdiction begins and where it stops.

[*English*]

Mr. Fulton: You mean, for the tax gatherers.

[*Translation*]

Mr. Pepin: From that point of view, among several others, of course.

That area over which I had the pleasure of flying last summer has been developed over quite a number of years. It will be recalled that in 1898, it was the scene of the Gold Rush; it will also be remembered that in 1943, the Alaska highway was built through it. But it is mostly since 1947, due to exploration work for gas and oil in the territories to the south and to the gradual extension of that exploration and development to the north, that this area has become important and will become even more so in the future.

As I said earlier, Mr. Speaker, it is a matter of defining the land boundary rather than changing it.

As early as 1898, the federal Department of the Interior had started the work, which lasted from 1899 to 1908, but most of the surveying has been done since 1943. In that year, the Privy Council, with the agreement of British Columbia, instituted the commission on the boundary between British Columbia, the Yukon and the Northwest Territories, instructing it to survey those boundaries and to report to the parliament of Canada and to the legislature of the province of British Columbia.

The commission comprised the surveyor general of Canada, as usual, and the surveyor general of British Columbia. The commission undertook the survey of the boundary in 1945 and pursued the work from 1945 to 1959. Six hundred and twenty-two miles of boundary were surveyed; there are 39 miles more to survey at the western extremity. Those 39 miles lie on extremely difficult glacial terrain which holds no immediate interest for the mining industry in particular.

When the work was completed, the commission wrote its report, dated February 15, 1966. This report included a map showing the location of the surveyed boundaries and the monuments placed on the ground for site identification. This document was tabled in the House of Commons on December 14, 1966.

It may perhaps be asked—I see that some hon. members are absent, fortunately

—under what constitutional authority the federal government engaged in boundary surveying. The answer to that will be found in the British North America Act of 1871. Indeed, the act provides that the parliament of Canada may from time to time, with the consent of the legislature of any province, increase, diminish, or otherwise alter the limits of such province, upon such terms and conditions as may be agreed to by the said legislature, i.e., with the consent of provincial authorities.

By applying these provisions now, we can substitute the line of monuments on the ground for the abstract mathematical concept of the sixtieth parallel of north latitude, mentioned in particular in the Imperial Act of 1866.

The British Columbia legislature passed an act entitled: An Act of Consent respecting the Adoption of the British Columbia-Yukon-Northwest Territories Boundary, which was sanctioned on March 23, 1967. Therefore, the conditions imposed by the British North America Act of 1871 have been fully complied with, and there only remains for the house to pass, if it will, the bill introduced tonight.

• (9:30 p.m.)

[*English*]

Mr. Basford: Would the minister permit a question? The premier of British Columbia—who now prefers to be called prime minister, but I will settle for premier—has often said that he would like to annex the Yukon territory. I take it from the minister's statement that the purpose of this bill has been consented to by the province of British Columbia, and that the bill will serve to protect the citizens of the Yukon from premier Bennett?

Mr. Pepin: I have no particular comment to make on that, except to say that the legislation presented tonight is not a revolution. It is a clarification of facts already acknowledged in previous legislation.

Mr. Terence Nugent (Edmonton-Strathcona): I think the minister referred to something like 39 miles. Knowing that there are in that area where the borders of British Columbia, Alberta, Yukon and the Northwest Territories meet, a number of new oil wells, and a lot of active interest in them, may I ask if there is anything serious enough in this change of boundaries that may affect rights to drill that have been given by any of the provinces or any of the territories?

Mr. Pepin: I do not think the hon. member should worry about that, because the 39 miles are at the western end of the border. It is at the other end of the line, and not on the British Columbia-Alberta border at all.

Mr. Winch: Mr. Speaker—

The Acting Speaker (Mr. Tardif): The hon. member for Brandon-Souris.

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, when I suggested to the minister that this was an occasion of some historic significance I was not of course indicating that this was something that would go down as one of the great events in Canadian history. I was merely suggesting that what is being done here tonight through this bill is the culmination of work that goes back through the annals of Canadian history to the year 1899. Following the gold rush and the rapid increase of population in the Yukon territory, and the establishment of that territory out of the Northwest Territories, it became necessary to delineate the line of demarcation between the province of British Columbia and the new territory.

It is an interesting observation with respect to the difficulties of Canadian terrain that the process of marking out the boundaries on the ground has been taking place, off and on, ever since that time. It is also of historic significance, as the hon. member for Vancouver-Burrard (Mr. Basford) has indicated, that tonight we are recognizing an agreement reached between the Yukon territory and the province of British Columbia. It is most significant that British Columbia concurred in the delineation of this boundary before the parliament of Canada concurred. Of course, coming from the prairies I have to make the observation that the prairie provinces, of Manitoba, Saskatchewan and Alberta, always being agreeable on matters which are in the best interests of Canada, preceded the province of British Columbia in giving their concurrence to this matter.

I do not think anything else needs to be said tonight, but I would like to congratulate those Canadians over the years who have been responsible for the accomplishment of the very difficult task of actually marking out the boundaries on the ground. In this connection I refer to the geological survey of Canada, and the men associated with that survey who have worked on it down through the years. I refer also to the survey and mapping branch of the minister's department, and to the work done by Dr. Lamb, the dominion archivist.

I also wish to pay tribute to Don W. Thomson who in his recent excellent book, "Men and Meridians," has covered the history of this boundary demarcation. It was my privilege to be associated with Mr. Thomson, who because of his grasp of resource affairs, was loaned to the Resources for Tomorrow Conference for a short time. His knowledge of the subject has certainly been demonstrated in his recent book. Through this bill we are merely agreeing with a piece of work that has been done against the formidable barriers of Canadian geography and geology, and I can assure the minister that the members of the official opposition give the bill their wholehearted support.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rose a few moments ago, not for the purpose of making a speech but out of curiosity to seek an answer to a question. This matter involves the province of British Columbia and the territories of the Yukon and Northwest Territories. I am aware of the bill that was passed in the British Columbia legislature, I think in April of this year, giving consent to the boundary change. May I ask the minister whether the federal government took the position that it was deciding this matter on behalf of the Yukon and the Northwest Territories, or was it submitted in any way to the councils of those territories?

I ask this question because we hear so much about their desire for democratic rule. These councils exist. They are part appointed, and part elected. Was consideration given to allowing the Yukon council and the Northwest Territories council at least a nominal share in a decision on their own boundaries?

Mr. Pepin: I am not aware of that, Mr. Speaker, I will inquire and give an oral or written answer to my hon. friend.

Mr. Winch: Is it not reasonable that at least they should have been invited to participate?

Mr. Pepin: This is a perennial question, usually raised by the hon. member for Yukon (Mr. Nielsen), inquiring whether the Yukon council and the Northwest Territories council have been invited to this or that. I believe the Prime Minister (Mr. Pearson) has followed the custom of saying that for the time being in these matters the federal government acts for the governments of the Yukon

and Northwest Territories. I presume the same thing was done in this case.

Mr. Winch: Do I gather that the minister has said that although we do have semi-democratic organizations in control of the Yukon and the Northwest Territories, the decision on boundaries was made by the federal government without any submission to the territorial councils?

Mr. Fulton: On a point of order, Mr. Speaker, may I suggest that if the hon. member wishes to ask questions, questions which I think are very interesting, he should let the bill pass on to committee stage, where all these questions would be in order.

The Acting Speaker (Mr. Tardif): Possibly I should point out that if the minister continues answering questions he will close the debate.

• (9:40 p.m.)

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, it was not my intention to enter a debate on this measure, which is rather a routine one and which has been agreed to by the government of British Columbia; but the hon. member for Vancouver-Burrard (Mr. Basford), in his usual farsighted way, with his comments on some remarks made by the premier of British Columbia has raised a technical debate to a different level altogether. One thing the premier of British Columbia has always been is a visionary. Unlike so many such individuals, as a visionary he has seen many of his fondest dreams come true, or is seeing them now in the process of being completed. Having done so many different things which have been of great benefit to that great province which I, along with the hon. member for Vancouver-Burrard (Mr. Basford), am happy to represent, it is not surprising that he should occasionally look at the geography of that part of Canada and see the natural extension that the Yukon territory makes with the province of British Columbia.

While there never has been any question of any forceful decision in this matter, there has I think always been a rather fond hope that some day the people of the Yukon would see the benefits that have accrued to the people of British Columbia with the government they have, and that there would be an automatic expression or wish that the territory and the province be united.

I was very pleased to hear the minister read the act of 1871 which indicated that it would be constitutionally possible for the federal government to agree with the provincial government to extend its boundary. There is very logical extension. We heard mention of the Alaska highway. Members of the house know that hundreds of miles of that highway are in the province of British Columbia and many more miles of it are in the territory. It would seem natural for a development of that nature to be under one jurisdiction. Certainly with the great power development which has been suggested for the Taku river, for instance, and the developments which are under way in that corner, including the province of British Columbia, the Yukon territory and part of Alaska, again the working out of a joint arrangement in which there would be one administration rather than two would be desirable.

Within the last few days we have had a little book distributed to members of parliament called "Blueprint for Autonomy 8 Steps to Provincehood". This was distributed by the hon. member for Yukon (Mr. Nielsen). I admit that he neither made any comment nor endorsed the views expressed therein. It made most interesting reading because it is a demand for immediate autonomy; in fact it is a demand for a sort of Yukon power approach. The first of the eight steps to provincehood is "Create an Impasse".

I believe, and I am sure many members will agree with me, that one of our problems in Canada is that we are over-governed, that we are probably too blessed in the number of provinces, and that the development of the north really does not need the setting up of a complete provincial structure. We would hope that the infinitesimal populations will grow in the north; but that growth will not be assisted by all the trappings and expense of a provincial system of government that neither they nor the country as a whole will be able to afford.

I do not believe this whole question should be treated as lightly as the hon. member for Vancouver-Burrard seemed to treat it. The possibility of removing a boundary should always be maintained, whether it is newly drawn, newly photographed or newly surveyed. Artificial boundaries should not prevent the natural development of the great west of this country. While I do not wish to hold up this bill, this is a thought I should like to leave with you. It has been agreed that this is a logical, sensible, technical bill. Nevertheless we should keep in the back of our minds some of the potential development which is possible and hope that we will not add to the difficulties of fulfilling the great

vision of the premier of British Columbia, and I am sure of many citizens of the Yukon territory as well.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to say just a few words about this bill, which as a logical and technical piece of legislation has the support of the whole house. I should like to thank the minister for his brief and precise explanation of the circumstances surrounding the introduction of the bill. I am glad to know, as the bill indicates, that the legislature of British Columbia has given its blessing to the boundary between the province of British Columbia and the Yukon territory.

Without a doubt this has been a very necessary undertaking. There are few people, apart from those associated with this type of work, who realize the amount of planning, office work and field work which goes into an accomplishment of this type. I have had considerable experience with survey crews working in very difficult mountain terrain. I am sure that in this instance the field crews must have encountered problems which were never reported in the newspapers or known to members of the house.

I support the hon. member for Brandon-Souris (Mr. Dinsdale) in his expression of appreciation for the work these people do, which very often goes unrecognized because it is not the type of work which attracts publicity. I trust that the minister will convey to his staff, particularly the field staff, the appreciation of parliament for the work they have done in this regard.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to underline what the hon. member for Vancouver East (Mr. Winch) said in respect of this bill. So far as any determination of this matter by the council of the Yukon territory or the council of the Northwest Territories is concerned, I know that if the hon. member for Yukon had been here this evening he certainly would have raised this matter because he has long been a champion of the necessity of both of our territories obtaining a greater degree of self government. If the hon. member for the Northwest Territories (Mr. Orange) were here this evening I am sure he too would express a similar thought.

It may well be in the strict legal concept of a political entity that the minister is correct in intimating that the council of the Yukon Territory and the council of the Northwest Territories have no business making a decision or determination about this question. However, since we are embarking hopefully on a course of self government and later provincehood status for the territories, I believe they should be given some opportunity to express an opinion about this question. After all, it is the land territory of both the Yukon territory and the Northwest Territories that is involved.

With all respect for the admiration the hon. member for Okanagan-Revelstoke (Mr. Johnston) has for the premier of British Columbia—an admiration which all members of the Social Credit party do not share—

Mr. Patterson: And which some other people, not Social Crediters, share.

• (9:50 p.m.)

Mr. Howard: Including the hon. member for Medicine Hat (Mr. Olson). He is not a Social Crediter, and whether he ever was is a debatable point. Regardless of the admiration the hon. member for Okanagan-Revelstoke exhibits for the premier of British Columbia, without whose help he may not even be here, the fact of the matter is that there are other political entities involved, namely the Yukon and Northwest Territories. The least that should have occurred in trying to maintain the strict legality of the relationship between these political entities is the affording of an opportunity to the councils to express their opinions about this matter. This bill suggests in its preamble that the legislature of the province of British Columbia has consented to these alterations. It seems equally fair that the councils of the Yukon and the Northwest Territories should have been afforded the same courtesy, and should have been in the position to determine whether they agree with what is put before us now.

Mr. Nugent: Mr. Speaker, I should like to make sure that the questions I asked and the answer I received have not muddied the record. I did not quite understand the minister. Did he say tlat the only difficulty in respect of this boundary between British Columbia and the Yukon relates to the western end, rather than the eastern end where the boundary exists between that province and the Northwest Territories? If that is correct, that is all I want to know.

The Acting Speaker (Mr. Tardif): Order. If the minister answers this question he will close the debate.

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Let me assure the hon. member that what he has said expresses

exactly the intent of what I said. I could send the map I have to the hon. members for Edmonton-Strathcona (Mr. Nugent) and Brandon-Souris (Mr. Dinsdale) who have both been so kind during this debate. Perhaps I should exercise the judgment of Solomon by giving them each half of it.

In relation to the question regarding consultation with the councils of the Yukon and the Northwest Territories, the hon. member for Kenora-Rainy River (Mr. Reid) just phoned the surveyor general of Canada who tells us that this point was raised with the Department of Indian Affairs and Northern Development. I have been informed by the minister that the commissioner was involved in this border clarification.

I will write to the hon. members who have raised this question, giving them full details. I must say that the position of British Columbia and the Northwest Territories is far from being the same, because the British North America Act of 1871, to which I referred, makes it necessary to get the consent of the province involved, but does not obviously say the same with regard to the Northwest Territories.

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

Clause 1 agreed to.

On clause 2—*Boundary declared.*

Mr. Winch: Mr. Chairman, I should like to ask one question in respect of clause 2. It is my understanding that some papers concerning this matter had to be signed on behalf of British Columbia, and I should like to know whether they were signed by W. A. C. Bennett, the premier, or the pompous ass who calls himself the prime minister.

Mr. Pepin: I will have to check, Mr. Chairman.

Mr. Churchill: Mr. Chairman, I think that expression, which I shall not repeat, should be struck out of *Hansard*. We may not approve of provincial premiers or members of legislatures, but I doubt very much if we should speak disrespectfully of them here in this house, and I ask that the statement be withdrawn.

The Assistant Deputy Chairman: Fortunately or unfortunately I did not hear the expression. If there is no protest, I do not imagine that it should be withdrawn.

[Mr. Pepin.]

Mr. Churchill: I am not clear as to your ruling, but premier Bennett of British Columbia was called a pompous ass. I am sure no one would want that appellation attached to him, not even the Chairman. I think the expression should be withdrawn. Surely this is not good appearing in a public document such as *Hansard*, which is read rather widely across this country. This is an insult to a distinguished politician.

The Assistant Deputy Chairman: I did not hear that expression, but I am sure that if the hon. member said the premier of British Columbia was a pompous ass he will want to withdraw the remark.

Mr. Winch: I am sorry, sir, but I did not know that such an expression was out of order in this House of Commons. As far as I am concerned there is only one prime minister in Canada, and that is the prime minister in the federal House of Commons.

Clause agreed to.

Clause 3 agreed to.

Preamble agreed to.

On the title.

Mr. Barnett: Mr. Chairman, I am sorry I missed the proceedings on second reading of this bill. I should like to make one or two comments before the title carries, as a result of my experience as a member of the northern affairs committee when I visited the city of Whitehorse. Let me say at once that I am glad this bill will carry, and that it fixes the boundaries between the province of British Columbia, the Yukon and the Northwest Territories. When I was in Whitehorse I discovered a good deal of concern among the residents there that the premier of the province of British Columbia had some interest in abolishing the boundary. With the passing of this bill and with the statement in the preamble that the province of British Columbia is in agreement with and consents to this survey, I assume the premier has abandoned what I described when I was in Whitehorse as being one of his wilder schemes.

Title agreed to.

Bill reported.

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

Mr. Fulton: By leave, now.

Mr. Pepin moved the third reading of the bill.

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

• (10:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Knowles: Tomorrow?

Mr. Deputy Speaker: If there is any question about the business for tomorrow, perhaps it could be asked now.

Mr. MacEachen: Mr. Speaker, tomorrow we will begin with second reading of the Publication of Statutes Act. Then we will deal with committee stage of the C.N.R. bill; and then I would like to call the budget resolutions appended to the notice paper of *Votes and Proceedings* of June 1, 1967. These are the resolutions relating to the earlier budget.

Mr. Knowles: Budget No. 1.

Mr. MacEachen: If these items are disposed of tomorrow we would have an opportunity to consider calling second reading of the two bills that were given first reading today, namely the Industrial Relations and Disputes Investigation Act and the divorce bill, or resuming the budget debate. I would be happy to consult tomorrow morning or mid-day with the house leaders as to what their preference might be in this regard.

Mr. Fulton: Mr. Speaker, I do not want to disrupt the otherwise even tenor of our ways that has been established just recently, but I was under the impression that it has been agreed that the budget resolutions of June 1 would be deferred until after the adoption of the motion of the Minister of Finance now before the house. I understood the resolutions arising out of that motion and those now on the order paper would be agreed together. If there is agreement to the contrary, I beg the pardon of the house leader; but that was my understanding. I wonder whether the house leader would defer consideration of those resolutions until there has been a further opportunity of discussing this question tomorrow.

Mr. MacEachen: I would be quite happy to consult with hon. gentlemen tomorrow, Mr. Speaker. I had assumed I would be free to call these resolutions after the budget presentation had been made, but there may be a misunderstanding and I would be happy to consider this matter tomorrow.

PROCEEDINGS ON ADJOURNMENT MOTION

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

Proceedings on Adjournment Motion

IMMIGRATION—BRITISH COLUMBIA—NON-PARTICIPATION IN REFUGEE SETTLEMENT PLAN

Mr. Frank Howard (Skeena): Mr. Speaker, in 1960 during world refugee year the then Conservative government embarked upon a program of bringing, initially, 100 tubercular families to Canada and asked the provinces to participate with the government on a proportionate basis. The premier of British Columbia, the same gentleman who today is the premier of that province, spurned that offer, refused to participate in the joint venture and after a few agonizing and embarrassing moments of reflection embarked upon a grandiose scheme to buy food in British Columbia and distribute it to the starving peoples of the world. In fact, in a press release in May of 1960 the establishment of the world relief fund of the province of British Columbia was announced, and the then minister of health and welfare, Eric Martin, became its chairman. An amount of $50,000 was contributed by the provincial government by a special warrant and a commitment was made to match, dollar for dollar, every dollar that was contributed by the general public up to an amount of $475,000 which, if the full contribution were made, would raise about $1 million.

The world relief fund of the provincial government was heralded with great fanfare when it was announced, and then was immediately forgotten. Articles written in newspapers since that time have all pointed to the fact that the $50,000 has not been touched, and that the province has not embarked upon any world relief fund.

As late as this year Mr. Tom Berger, M.L.A., who was a member of this house, asked some questions in the British Columbia legislature as to whether or not the money was still there. The answer he received was that the $50,000 was still there, that no payments had been made out of it and that it did not seem likely that any payments would be made from that fund. We do not know where it went; it is still there in trust. However, this points up the deceit which the premier of British Columbia used at that time to cover up his lack of desire to participate in a very worthwhile program to assist the tubercular refugees from other countries to come to Canada, where they may receive some medical and other assistance.

The other day the Minister of Manpower and Immigration announced a government sponsored program to bring 50 handicapped

refugees to Canada, most of whom are tubercular cases. He announced that eight provincial governments would participate with the federal government in bringing these unfortunate souls to Canada, where medical and other assistance may be provided for them. Once again the province of British Columbia has failed to participate with the government of Canada in this very humane and worthwhile venture.

I submit that this indicates a lack of interest on the part of the premier of my own province, in an extremely worth-while venture. All I can do is to hope that publicity will be given to the manner in which he has treated his own world relief fund which he announced in 1960; the fact that it did not get off the ground and that no one in his government tried to make it work; the fact that Eric Martin, the then minister of health and welfare admitted he was at fault in not doing anything to bring the program into effect; and the fact that the premier has once again spurned the participation of his province in an extremely worth-while and humanitarian project.

Perhaps all we can do is to hope that if these facts are given some publicity the premier of British Columbia will be shamed, together with the government of Canada, into participating in this venture, and in giving some assistance to unfortunate people from other countries.

• (10:10 p.m.)

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have been asked by the Minister of Manpower and Immigration to take note of the remarks made by the hon. member for Skeena this evening. I should like to indicate to the hon. member that it would be somewhat difficult to determine just what responsibility the minister has in this regard. I do feel, however, that the hon. member is making a contribution to the program by bringing this matter to the attention of the house, notwithstanding the fact that it would be difficult for the minister to take any action. I am sure the minister is hopeful that the new program will be universally accepted by the premiers of the various provinces. I am sure the hon. member's remarks may have the desired effect.

POST OFFICE DEPARTMENT—VANCOUVER—EMPLOYMENT OF POSTAL TRUCK DRIVERS

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I rise tonight to put a question to the Minister of Labour (Mr. Nicholson) concerning the plight of the employees of a company in Vancouver which, for many years, as a private company has hauled the mail for the post office, and which company bears the romantic name of the Pony Express. I want to turn first to a letter which I received from an executive of that company on April 30, and which reads in part:

> —the Canada Postal Department proposed to enter into the trucking business July 1 in the city of Vancouver by taking over 25 per cent of the work at present held by a long established trucking company with a view to possibly doing all the work.

When I received that letter I promptly wrote to the Postmaster General (Mr. Côté) and asked him for particulars of the matter. I received from him a letter which I should like to read in part:

> The present practice of handling this mail has been done by contract and not by post office employees except in the city of Windsor, Ontario. Long range plans of the Post Office Department have included for some time a study of the economics involved in taking over the service ourselves. The strike by employees of the Montreal contractor early in December last year emphasized the vulnerability of the department in this area. While the Post Office Department was in no way involved in the dispute between mail chauffeurs and the contractor, nevertheless, the strike resulted in considerable disruption of the mail service not only in Montreal but across the country because Montreal is a key distributing point. Preliminary study would indicate that it may well be more efficient and more economical to have the department operate its own vehicle service.
>
> The only satisfactory method of establishing the economics and practicality of doing the job ourselves is to conduct an experiment and we picked two major post offices—Montreal and Vancouver—as suitable for pilot plant study.

I now want to refer, sir, to a further letter I have received from an officer of the Pony Express company regarding this contract. It reads in part:

> Pony Express Limited has been the mail contractor since 1911, and despite the fact that they, the employees, consider membership in the teamster's union essential for their welfare, not once has the mail in the greater Vancouver area been delayed or held up since the company contracted to do any of the services under discussion. In fact, to the contrary, with the aid of the teamster's union and despite many local labour disputes and strikes, mail at all times has been delivered by Pony Express couriers, when in many instances post office employees have refused to cross picket lines.

At another point, the letter reads:

> I understand that Mr. Côté has stated that "in the interests of progress" any Pony Express employee was free to apply for the position of postal chauffeur. I ask you, sir, is it logical or sensible for any man in this province to apply for the same job at a lower rate of pay?

I have learned recently that this experiment, as it is called by the Postmaster General, went forward despite the protests of this company, a company that has served so well and despite troubles that have existed in the postal department. Those who have been deprived of their jobs have made application to the Post Office Department for the position of postal chauffeur. I now find that some members have had their applications to become postal chauffeurs rejected, on the basis that they live outside the area served by the Vancouver post office, although they have worked for Pony Express for many years while living at these addresses, and while handling these duties in a satisfactory manner.

What I want to ask is this: I ask the Minister of Labour tonight what can be done specifically for these employees. I hope he will be able to give a satisfactory answer.

The other question I want to put to the government is this: Why is it necessary to continue with an experiment of this nature in order to correct what is considered to be a disruptive situation between labour and management in the Montreal area? Why must we in Vancouver, where the work of hauling the mail has never been handled more satisfactorily, be penalized because of these particular difficulties? I would ask the government to review the whole matter and not to deprive of work the Pony Express, and those employees who have worked so faithfully carrying the Queen's mail. I ask the minister to see what can be done to right what is an obvious injustice.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I should like to deal with that part of the question which is directed to the Minister of Labour and to say that I have had occasion to investigate the circumstances referred to by the hon. member for Vancouver Quadra. I am convinced that those employees of the Pony Express who are affected in this particular case have done an outstanding job over the years. In my opinion, based on my investigations to date, it would be most unfortunate if the five or six employees of the Pony Express who live in what I might call the metropolitan area of Vancouver are not able to perform their work as postal chauffeurs by reason of the fact that they do not happen to live in that part of the postal area referred to by the hon. member.

I might say that not only have I taken the matter up as Minister of Labour—because an important principle relating to employment is involved here—but I have also taken up the matter as a member of parliament representing that part of Vancouver where the main post office in question is located. I have had a particular interest in the matter and have taken it up with the deputy postmaster general and with the chairman of the public service commission with a view, I hope, to assuring that the five or six employees of Pony Express will not be deprived of their opportunity to qualify as postal servants in the employ of the Post Office Department.

This is particularly important today in view of the trend toward urbanization. People in outlying communities today find that through no fault of their own they are engulfed by neighbouring metropolitan areas or surrounding municipalities. It would seem unfair to deprive these people—after all, they are all Canadians—of their right to work, by virtue of some regulation that has been followed by the Civil Service Commission over a period of years.

I can assure the hon. member for Vancouver Quadra I am encouraged to believe some progress is being made, but I cannot give him the affirmative answer he would like to hear tonight. With regard to the second part of the question, which was not referred to in the matter about which I was given notice to speak tonight, the only person who could deal effectively with it is the Postmaster General, who unfortunately is not here.

Motion agreed and the house adjourned at 10.21 p.m.

HOUSE OF COMMONS

Tuesday, December 5, 1967

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

AGREEMENT TO REVERT TO MOTIONS LATER THIS DAY

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I should like to seek the approval of the house to revert to motions at 5.30 this afternoon in order that the Prime Minister may make a statement and the party leaders may comment at that time. If this is agreeable I should like to have it made an order.

Mr. Deputy Speaker: Is it agreed that the house will revert to motions at 5.30 this afternoon?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

REFERENCE TO COMMITTEE OF SUBJECT MATTER OF BILL C-186

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in order to clarify the somewhat ambiguous situation which developed in the committee yesterday, with consent I should like to move the following motion seconded by Mr. Nicholson:

That the subject dealt with in Bill C-186 be referred to the standing committee on labour and employment for consideration; provided, however, that despite this motion the said bill shall remain on the order paper as an order for second reading without prejudice to the right to make or proceed with the motion for such second reading.

Mr. Deputy Speaker: Does the Minister of National Health and Welfare have leave to present this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

• (2:40 p.m.)

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN EIGHTH AND NINTH REPORTS OF STANDING COMMITTEE

Mr. H. Pit Lessard (Saint-Henri) moved that the eighth and ninth reports of the standing committee on transport and communications, presented to the house on Thursday, November 30, be concurred in.

Motion agreed to.

POST OFFICE DEPARTMENT

SUBSTITUTION OF MAPLE LEAF FOR EFFIGY OF QUEEN ON STAMPS

Mr. Fernand-E. Leblanc (Laurier) moved for leave to introduce a bill respecting Canadian stamps.

Some hon. Members: Explain.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, it is high time that the citizens in our country, English or French speaking, cut the umbilical cord with their mother country and become truly Canadians, in co-operation with other ethnic groups: Unity in diversity.

This bill is a consistent follow-through to Bill No. C-167, first reading of which I moved on October 10, last; the explanations then supplied concerning our search for a clearly Canadian identity apply to this bill.

[*English*]

Hon. Gordon Churchill (Winnipeg South Centre): I rise on a point of order, Mr. Speaker. There has been no clear explanation as to what this bill intends. The hon. member talks about cutting an umbilical cord, but what does he intend to do in respect of our stamps? I should like to have a clear explanation.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, the explanatory notes of that bill read as follows:

The purpose of this bill is to replace the effigy of the Queen which appears on certain Canadian stamps by the stylized maple leaf which adorns the Canadian flag.

[*English*]

Mr. Churchill: I object.

Inquiries of the Ministry

Mr. Deputy Speaker: Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Contrary minded will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion lost.

BILINGUALISM AND BICULTURALISM

REQUEST FOR STATEMENT ON REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister and ask whether in the course of his comments on the so-called B and B commission report later this afternoon he would include a statement as to what the government proposes to do with the report, and the measures the government proposes to take in connection with the subject matter of the report.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be making a very short statement this afternoon when the report is tabled. My hon. friend of course realizes, or will realize when he reads the report, that this is a very important, comprehensive document with a great many recommendations. It would be very difficult in the few days since the receipt of the report to give any final verdict on the government's reaction to all those recommendations, but I will indicate the steps that we propose to take to give consideration to the report.

CANADIAN CONSTITUTION

INQUIRY AS TO AGENDA FOR DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the right hon. Prime Minister about the agenda for the federal-provincial conference which is to be held early in the new year. In view of the fact that the letter of invitation which the Prime Minister sent to the premiers, dated August 15, mentions only a proposed bill of rights, could I ask the Prime Minister whether it is the intention of the government to widen the agenda for the conference so as to deal with some of the problems which were posed by the confederation of tomorrow conference and which still have to be resolved?

Right Hon. L. B. Pearson (Prime Minister): In the invitation to the conference it was suggested to the premiers that while we had called this conference to discuss a very important constitutional matter, a federal bill of rights, we would welcome any suggestions the provincial governments might make as to the widening of the agenda, because we did not wish to restrict it in any way. I may have one suggestion to make with regard to that matter this afternoon when I make my statement on the B and B commission report.

Mr. Douglas: A supplementary question, Mr. Speaker. May I ask the Prime Minister whether it will be possible to have a copy of the agenda made public prior to the conference; and is it the intention of the government to present a statement setting forth the particular parts of the constitution which may have to be revised in order to give the federal government the necessary powers to develop a viable and expanding economy? I would also ask whether such a statement will be made prior to the conference.

Mr. Pearson: Mr. Speaker, so far as making public the agenda before the conference meets is concerned, I have no objection whatever to that. I would wish to wait, of course, until we get the views of the provinces as to what they would like included in the agenda. I hope this will be done in ample time for the agenda to be made public before the conference meets. As far as the other part of the question is concerned, I should like to look into the possibility of a statement being made along the lines suggested before the conference opens.

Hon. E. D. Fulton (Kamloops): Has there been a decision, or is the question still under discussion, as to the extent to which the conference will be held in public?

Mr. Pearson: No decision has been taken on that point; that will have to be decided by those participating in the conference. I would be very glad to take that up well in advance

of the meeting so the greatest possible publicity can be given to this meeting.

[*Later:*]

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question to the Prime Minister relating to the constitutional conference. Does the Prime Minister have in mind seeking the opinion of the house prior to the conference on any of the questions to be discussed with the provinces?

Mr. Pearson: That would depend, of course, to some extent on the date which is agreed upon. It is conceivable, though I hope it will not happen, that the house may not be sitting on that date. I have suggested to the provinces that the conference might meet in the first week of February; I shall be glad, if parliament is sitting before that—and it may well be sitting before that—to consider the possibility of a day being set aside in the Commons to consider the matters to come before the conference.

[*Translation*]

HOUSE OF COMMONS

APPLICATION TO STAFF OF BILINGUAL BONUS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the hon. Minister of National Revenue.

Is he studying or considering, at the present time, the feasibility of granting the 7 per cent bonus to all bilingual employees of the Canadian parliament?

[*English*]

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): The employees of parliament fall within the purview of the Speaker rather than that of the government of Canada.

[*Translation*]

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

Are parliament employees considered as federal employees or are they not?

[*English*]

Mr. Benson: The conditions of employment of House of Commons staff are under the direction of the Speaker, as I indicated.

Inquiries of the Ministry

EXPO '67

REQUEST FOR STATEMENT ON GRANTING OF SEVERANCE PAY

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I had intended to direct my question to the Minister of Trade and Commerce; perhaps in his absence I could direct it to the Prime Minister. It is based on a press report that severance pay is being granted to Expo workers. Could I ask whether it is the intention of the government to advise the house as to the reason for these payments, reportedly in the amount of $4.5 million, and what the federal share would be?

Right Hon. L. B. Pearson (Prime Minister): I would have to look into that matter, and I shall be glad to do so.

MANPOWER

PAYMENT OF SUBSISTENCE ALLOWANCES DURING CHRISTMAS HOLIDAYS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I have a question for the Minister of Manpower and Immigration. Is it the policy of his department to cut off for two weeks at Christmas and the New Year the living allowance paid to those taking adult occupational training courses under government sponsorship at technical institutes across Canada?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I think I have already explained the policy of the government to the house.

Those who are assigned to these training courses are, according to our way of thinking, simple workers: they are not people who are going back to school, but workers. They play an essential role in our economy and must therefore be treated like other workers: They must have the same holidays and receive allowances which are in a way comparable to those of other workers.

If courses are given during the holidays, these workers will receive allowances, just like those who work in a factory. If there are no courses, naturally, they will not receive allowances, but they may be eligible for unemployment insurance.

[*English*]

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the fact that most of the students taking these courses were formerly unemployed, and since many of them are married and have families, would the government not reconsider its policy so the living allowance could be continued? Otherwise it is going to be a grim Christmas for many of these students across the country.

[*Translation*]

Mr. Marchand: Mr. Speaker, I think it is incumbent on the provinces to organize courses so that the situation described by my hon. friend does not take place.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): May I ask a supplementary question. Is the minister aware that the students operating under the old part V program, and in the same courses as students operating under the new part V program, will be paid a subsistence allowance during the holiday period? This is creating a morale problem. Would the minister agree to do something to remove this discrimination?

[*Translation*]

Mr. Marchand: Mr. Speaker, there is no doubt that there are differences between the two programs. As you know, the previous program No. 5 will be expiring at the beginning of next year, but as long as it has not expired, the conditions will unfortunately be somewhat different, and there is nothing we can do about that.

[*English*]

Mr. Pascoe: Mr. Speaker, I did not hear what the minister said. Did he say they would be entitled to unemployment insurance benefits from the time they were cut off from these grants?

[*Translation*]

Mr. Marchand: Mr. Speaker, those who have accumulated enough credits under the Unemployment Insurance Act may be entitled to their unemployment insurance benefits if they do not get retraining allowances.

[*English*]

INDUSTRY

INQUIRY AS TO STEPS TO INCREASE CAPITAL INVESTMENT

On the orders of the day:

Hon. George Hees (Northumberland): I should like to address a question to the Minister of Finance. In view of a statement by the Economic Council of Canada that businessmen are not planning sufficient capital investment during the next five years to keep the economy growing to its full potential, is it the intention of the government to introduce measures in the near future to induce the necessary additional capital investment?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the chairman of the Economic Council of Canada gave similar information to the finance ministers' meeting recently. We have not yet had an opportunity of discussing with the council the reasons for this, but I can assure the hon. gentleman and the house it will be the intention of the government to promote the maximum amount of business investment and the most prosperous conditions in the country.

Mr. Hees: Will the minister assure the house that he will report back to the house when he has had an opportunity of carrying on these further discussions, and then outline the intentions of the government in this regard?

Mr. Sharp: Mr. Speaker, the government's policies in all these respects are revealed from time to time. I do not believe it would be appropriate for me to make a special report to the house on this matter.

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct this question also to the Minister of Finance. Has the minister's attention been drawn to a survey prepared by top economists with the Royal Bank of Canada, the University of Montreal and two large Canadian industries, which predicts a business recession next year?

Mr. Sharp: No, I have not seen this particular prediction. I have seen many on the other side, and I am sure the views of economists on the outlook, as usual, are quite confused.

Mr. G. L. Chatterton (Esquimalt-Saanich): In view of the minister's reply, will the minister now admit he is an economist?

Mr. Sharp: No, I would never admit that.

FINANCE

ANNOUNCEMENT OF INCREASE IN BANK INTEREST RATES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I should like to direct a question to the Minister of Finance based on the

announcement yesterday by a number of chartered banks of an increase in their prime interest rate. In view of the almost simultaneous announcement of a record level of profits for chartered banks, has the minister made representations to the banks urging that degree of restraint he has urged upon other sectors of the economy such as labour and business?

Hon. Mitchell Sharp (Minister of Finance): Yes, Mr. Speaker.

CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO APPOINTMENT OF PERSONNEL

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is for the Minister of Energy, Mines and Resources. If the minister has not already done so within the last few hours, in view of the fact that the president and directors of the Cape Breton Development Corporation are having a meeting in Sydney tomorrow can he take the house into his confidence and advise who will be the other two members of the corporation?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, the appointment of Mr. Douglas Fullerton was decided this morning by cabinet. I still have one member to nominate but I am having a bit of trouble because I have to appoint a chairman before I appoint the fifth director of the corporation.

Mr. Muir (Cape Breton North and Victoria): I thank the minister for his reply, particularly the reference to Mr. Fullerton. When will he be in a position to name the vice president of coal operations and the vice president of industrial development?

Mr. Pepin: I would not like to violate the legislation, which says the vice president is appointed by the president.

[*Later:*]

Mr. Muir (Cape Breton North and Victoria): My question is directed to the Minister of Energy, Mines and Resources and relates to previous questions about the Cape Breton Development Corporation. May I ask the minister if Mr. Robinson Ord of the Cape Breton Development Corporation has said who shall be the vice presidents of coal operations and industrial development?

Mr. Pepin: I am aware that the president has a number of names he is studying, but I do not think he has yet made a final decision.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. Will the decision be made solely by Mr. Ord or will it be made by the board that the minister was so slow in setting up?

DIVORCE

REQUEST FOR FREE VOTE ON PROPOSED LEGISLATION

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, my question is to the Prime Minister. Could the Prime Minister indicate whether it is the intention of the government to allow a free vote on the divorce bill which is now before the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the divorce bill is a government bill and I think should be treated as such.

CANADA PENSION PLAN

REPORTED PROPOSAL TO INCREASE AMOUNT OF CONTRIBUTIONS

On the orders of the day:

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is it a fact that all payments to the Canada pension plan are to be increased in the near future?

Mr. Deputy Speaker: Order. I think that might be a good question for the order paper.

TRADE

INQUIRY AS TO SIGNING OF INTERNATIONAL GRAINS AGREEMENT

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, in the absence of the Minister of Trade and Commerce perhaps I could direct my question to the Prime Minister. According to news reports released yesterday only 32 of the 70 countries eligible to sign the international grains arrangement in Washington have done so. Could the Prime Minister inform the house why the other 38 countries have been reluctant to sign this agreement to date?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should not like the fact that they have not yet signed to be taken as implying that they are reluctant to do so, but I will be glad to look into this question.

Inquiries of the Ministry

WATER RESOURCES

PEMBINA RIVER—RATIFICATION OF AGREEMENT FOR DEVELOPMENT

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I have a question for the minister of external affairs. Before I pose the question I should like to thank him for his courtesy in supplying me with a copy of the report of the International Joint Commission on the Pembina river development. My question in this. Could the minister give the house some idea when the agreement relating to the co-operative development of the Pembina river basin will be ratified by the two governments?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as my hon. friend has indicated, the report has just been received by the two governments from the commission. As far as Canada is concerned we will do our best to give the report the quickest possible attention. I am sure this will also be the attitude taken by the government of the United States. We will then be in a position to give a definitive reply.

WOMEN

INQUIRY CONCERNING APPOINTMENT OF REPLACEMENT TO ROYAL COMMISSION

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Prime Minister. About ten days ago I asked whether, in view of the fact that one of the members of the royal commission on the status of women had tendered his resignation, it was the intention of the government to appoint a member to replace him. The Minister of Industry informed me that this particular question was still under consideration. Is the Prime Minister now able to give me an answer to the question?

Right Hon. L. B. Pearson (Prime Minister): Not at the moment, Mr. Speaker, but I hope to be able to make an appointment before long because I think it is time the lone male member of the commission had a little company.

[*Translation*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of National Defence.

[Mr. Pearson.]

Following the statement made by a Canadian general last week to the effect that the army should take up arms to bring to heel the Quebec independentists, could the minister tell us if that is the policy of his department or if that is only the opinion of an individual or if that is meant as a provocation to Quebec nationalism?

[*English*]

Mr. Deputy Speaker: Order. The question is out of order.

CANADIAN PACIFIC RAILWAY

PROTEST RESPECTING LAY-OFFS OF SHOP WORKERS

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the answers given by him yesterday in connection with the lay-off of C.P.R. employees in Montreal, Winnipeg and Calgary I wonder whether he could report today that an investigation has been made and, if so, what are the results of the investigation.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, all of the information was referred to the Canadian Pacific Railway, as I undertook to do yesterday. Obviously I have not yet had a reply.

Mr. Ballard: A supplementary question. I wonder whether the minister could indicate whether the regular employees who are laid off will be paid for the statutory holidays that fall within the lay-off period, such as Christmas and New Year's day.

Mr. Hellyer: Mr. Speaker, I have just indicated that I do not have a reply to that question.

POLLUTION

SUDBURY, ONT.—SULPHUR DIOXIDE LEVEL AT INTERNATIONAL NICKEL PLANT

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Will the minister undertake a survey to determine the effects on workers of long term exposure to high concentrations of sulphur dioxide fumes at the International Nickel Company plant in the Sudbury district?

Mr. Deputy Speaker: Order. That is a good question for the order paper.

[*Translation*]

AGRICULTURE

SUGAR BEETS—REQUEST FOR STATEMENT ON SUBSIDY

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, I wish to put a question to the Minister of Agriculture. Would the minister tell us whether the sugar beet producers may expect their subsidy by Christmas, and what is the amount of this subsidy per ton?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I announced the sugar beet policy the other day in the house.

Mr. Ricard: I wish to put a supplementary question, Mr. Speaker.

I asked the minister whether the sugar beet producers could expect their subsidy before Christmas. I know the minister made a statement, but my question is quite different from the reply he has just given.

Mr. Greene: Mr. Speaker, in my report to the house the other day, I said that the producers could expect to receive their subsidy.

[*English*]

AIR TRANSPORT

CANADIAN REPRESENTATION AT MEETING OF INTERNATIONAL ASSOCIATION

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is to the Minister of Transport. Is the Canadian government or Air Canada represented at the current meeting of the International Air Transport Association in Manila?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker.

Mr. Sherman: A supplementary question. Is the Canadian delegation undertaking any initiative toward obtaining a revision of trans-Atlantic air passenger rates so as to correct the rate schedule, which currently discriminates against many Canadian passengers who do not live in either Toronto or Montreal?

Mr. Hellyer: Mr. Speaker, I will take that question as notice.

Inquiries of the Ministry

MALTON—DANGER IN APPROACH OVER ISLAND AIRPORT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a question to the Minister of Transport. Do the new regulations concerning air safety, which the minister announced, prohibit aircraft of Air Canada and other commercial airlines from approaching Malton airport in Toronto in a way that will bring them in low over the island airport, which presents a hazard to such aircraft?

Hon. Paul Hellyer (Minister of Transport): That will be a good question for the order paper, Mr. Speaker.

Mr. Nesbitt: On a point of order, Mr. Speaker, the matter may be lightly treated by the minister, but it is a matter of urgency, and my question concerns a hazard to human life, possibly even that of the minister. Could he answer the question more precisely now?

Mr. Hellyer: Mr. Speaker, that is precisely what prompted me to say what I said in my last answer. I want the answer to be in precise detail so as not to mislead my hon. friend.

APPLICATION BY ITALIAN LINE TO FLY ROME-TORONTO ROUTE

On the orders of the day:

Mr. Jack A. Irvine (London): I have a question to address to the Minister of Transport. Has the government received an application from the Italian government for flying rights with respect to the Rome-Toronto route? If so, what steps does the government plan to take to protect reciprocal Canadian airline rights?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, this question cannot be dealt with properly on orders of the day. I can assure my hon. friend that when additional landing rights are granted to foreign carriers in Canada, the rights of Canadian carriers will be protected. We shall make certain that we obtain full benefits from the country that requests additional rights, in exchange for those rights that we give up in this country.

Mr. Irvine: I was not speaking of landing rights, Mr. Speaker. I was speaking of flying rights. I understand that Alitalia has applied for permission to fly the Rome-Toronto route.

Mr. Hellyer: That is exactly what I was referring to.

Inquiries of the Ministry

Mr. Deputy Speaker: Order. May I suggest to the hon. member that this would be a good question to discuss at ten o'clock.

HIGHWAY SAFETY

CONSTRUCTION IN U.S. OF PROTOTYPE SAFETY CAR

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, now that the state of New York has just unveiled a model prototype safety car, the first such safety car built by a public authority with public funds, can the Minister of Transport assure the house that he will establish a close working liaison with the appropriate officials in New York state in order to co-operate in the completion of this venture and to continue the liaison already established by the National Research Council?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. We will want full information with respect to all developments in the field of auto safety, certainly including developments in the state of New York.

[*Translation*]

CRIMINAL CODE

INQUIRY AS TO AMENDMENT RESPECTING ABORTION

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Justice.

Last Friday, I inquired about the introduction of the comprehensive bill to amend certain sections of the Criminal Code, and I implied from his answer that this bill would also include a provision concerning abortion. I wonder therefore whether the minister does not feel it may be useful and necessary to introduce a separate bill on abortion?

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the government has undertaken to introduce a legislation designed to bring the Criminal Code up to date with regard to abortion, so as to bring our statutes more in line with our modern society.

The procedure suggested by the hon. member should perhaps be considered, but I do not think it would be the most efficient way of ensuring the adoption of such a measure.

I take this opportunity to assure the hon. members that our bill on abortion is one that, to my mind, should win the favour of all

[Mr. Hellyer.]

reasonable persons. It reflects the needs and the morals of our times.

Mr. Asselin (Charlevoix): Mr. Speaker, may I put a supplementary question?

Like the hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal) who put a question to the right hon. Prime Minister a while ago, may I suggest that we agree on a free vote on this important matter?

Mr. Trudeau: Mr. Speaker, all votes are free in the sense that each member must vote; however, in the more restricted sense to which the hon. member is alluding, I am not, for my part, authorized to answer a question like that one.

[*English*]

MANPOWER

REPORTED SPEECH BY MINISTER RESPECTING TRAINING PROGRAM

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. In his speech to the Liberal Association of St. Paul's riding in Toronto, the minister is reported as blaming provincial delays for the marked slow down of the manpower training program. Will the minister take the first opportunity on motions to specify which provincial governments he means, and what delays he claims they are responsible for?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I said in the house at least five or six times what I said in Toronto.

[*English*]

INDIAN AFFAIRS

REPORTED DIFFICULTIES RESPECTING MANPOWER TRAINING PROGRAMS

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of Indian Affairs and Northern Development. Can the minister assure the house that any solution arising out of discussions currently taking place in an attempt to resolve the manpower training crisis among the Sioux Narrows Indians will apply to our Indian citizens in all parts of Canada who are suffering from a similar disability owing to the changes which were introduced into the program by the government last April?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am informed that the so called disability of the Indian people was much distorted by earlier reports. A good deal of progress has been made in taking up the slack. We have made it plain to those concerned that if the programs which are offered by the Department of Manpower and Immigration are inadequate, our department will take up the slack in that regard.

SHIPBUILDING

INQUIRY AS TO ASSISTANCE TO NOVA SCOTIA INDUSTRY

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I wish to direct a question to the Minister of Fisheries. In view of the economic disaster facing one of our oldest industries, the wooden shipbuilding industry of Nova Scotia, which has been hit by a lack of orders and staggering costs, what action does the government plan to alleviate the serious unemployment that is developing in that industry?

Hon. H.-J. Robichaud (Minister of Fisheries): I think the hon. member is well aware that the government has taken action to assist the wooden shipbuilding industry of Nova Scotia. As a matter of fact over $3 million in subsidies will be paid to that province to cover the cost of wooden fishing vessels which will be built during the current fiscal year. It is our intention to continue that subsidy program.

Mr. Crouse: A supplementary question, Mr. Speaker. I appreciate the minister's remarks, but a serious situation is developing. Would he give consideration to calling a meeting with his provincial counterpart to discuss this urgent matter and the best course to follow in order to solve the unemployment problem as soon as possible?

Mr. Deputy Speaker: Order, please. I am sure the minister has heard the representation of the hon. member.

TRANSPORT

REQUEST THAT PARLIAMENTARY COMMITTEE MEET IN ATLANTIC PROVINCES

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to direct a question to the Minister of Transport. Would he undertake to convene the standing committee on transport in the Atlantic provinces in the near future, in order that that committee might hear and discuss the problems of those provinces?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, that question has been asked two or three times in the last few days, and it is under consideration. I think at the moment the chairman of the committee is in New York at the United Nations. The committee has much work to do before the end of the present session. I shall be glad to discuss with the chairman the possibility of doing what the hon. member suggests at some time in the future.

Mr. Starr: A supplementary question, Mr. Speaker. Does the minister object to such a meeting taking place in the Atlantic provinces?

Mr. Hellyer: I have no personal objection, but this is a matter for the committee.

Mr. Muir (Cape Breton North and Victoria): But you have a vice chairman.

Mr. Hellyer: All I can say is that I shall consult with them. That is the limit of my prerogative under the rules.

Mr. J. H. Horner (Acadia): My question is supplementary to the one asked by the hon. member for Ontario. Could the Minister of Transport indicate to the house what reply he received from the Atlantic area transport commission which studied problems of maritime transportation? A couple of days ago in the house the minister said he would ascertain whether it would be useful for the standing committee on transport and communications to go down to the maritimes and study transport problems down there.

Mr. Hellyer: I expect to be meeting with them some time next week, Mr. Speaker, and at that time I shall be in a position to discuss with them my hon. friend's question and several others.

PRINCE EDWARD ISLAND CAUSEWAY— INQUIRY AS TO NEXT STEP

On the orders of the day:

Mr. David MacDonald (Prince): My question is for the Minister of Public Works. Since only 17 shopping days are left before Christmas I wonder if the minister could advise this house and the people of Prince

Edward Island whether we may look forward, before Christmas, to a report on the next phase of the construction of the Northumberland strait crossing.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I doubt if the engineering reports will be sufficiently advanced for that gift to be made to the people of Prince Edward Island before Christmas.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. Could the minister be a bit more specific and advise us when we might expect a report on the redesign or other aspects of the Northumberland strait crossing.

Mr. McIlraith: No, Mr. Speaker. I am happy to say that the engineering work is proceeding very rapidly, but I cannot forecast the time of its completion.

BUSINESS OF THE HOUSE

On the orders of the day:

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I would like to rise on a point of order. Last night I indicated to members of the house that I would consult with house leaders today as to a suitable order of business. As a result of this consultation I would like to advise the house that as the first order of business today we are calling the committee stage of the C.N.R. bill, to be followed by the second reading and committee stage of the divorce bill.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed from Tuesday, November 28, consideration in committee of Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for a period from the 1st day of January, 1967 to the 30th day of June, 1968 and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company—Mr. Chrétien (for the Minister of Finance)—Mr. Rinfret in the chair.

The Deputy Chairman: When the committee rose on Tuesday, November 28, clause 4 of the bill was under discussion.

[Mr. MacDonald (Prince).]

On clause 4—*Issue of securities.*

Mr. Horner (Acadia): Mr. Chairman, before this legislation passes I would like to speak about the effects, if any, which the over-all capital expenditures of the C.N.R. are having on freight rates and about the new environment which we are told is developing for the transport industry generally.

I know that one of the dearest dreams of the former president of the C.N.R. was to secure a reorganization of the company's debt, which he told us many times was one of the biggest stumbling blocks to the C.N.R. ever operating in the black. Under the terms of this bill, parliament is being asked to confirm moneys already being spent by the C.N.R., and I would point out that the amount involved is larger than that provided by any similar bill placed before parliament in past years. Since the early 1950's the C.N.R. has engaged in massive capital expenditures, but despite the increase in productivity which they brought about, accompanied by a decrease in the cost of moving freight per ton mile, the position of the company has not really improved.

One may well ask, what is the effect of these capital expenditures on freight costs and why we are being asked to ratify or approve expenditures already made? According to the bill $13 million has been or will be spent before the end of the year on the building of branch lines. Yet only a year or so ago this house spent a long time studying the new transportation act which was designed to create a new environment for the transport industry. One of the purposes of that act was to allow the railroads to abandon branch lines. But under the terms of this bill parliament is now being asked to provide money for the construction of branch lines, particularly in western Canada.

Uneconomic branch lines have a tendency to increase freight rates. Under the terms of this bill the C.N.R. is being provided with money to construct in one location in western Canada a 17-mile branch line which is to run within two or three miles of an existing C.P.R. main line. This just does not add up.

What about the new environment which the transportation commission is supposed to encourage? What have been the results? This is the question which is being asked by many people, particularly those in western Canada. Last October there was a 10 per cent increase in freight rates across the board covering all rates that were not frozen by the previous government. The only result of that increase

in freight rates has been that the traffic moved by the C.N.R. has diminished in volume.

The principle involved in this bill, which is to ratify expenditures already made, is putting the cart before the horse. If parliament is to have any authority at all there should be some means of ratifying a capital expenditure bill for the C.N.R. before the C.N.R. has actually undertaken expenditures. Last year parliament spent a long time debating the rationalization of the abandonment of branch lines; yet now it is asked to authorize $13 million to build branch lines. Is this good, efficient government?

The capital expenditure to be authorized by this bill is the largest ever authorized by parliament for the C.N.R. in the past 15 years, yet there is no real reduction in the cost of moving goods by the C.N.R. We realize it takes money to automate and establish an up to date transportation system, but the customer should be getting a return on that money. He should be paying less to move goods by the C.N.R., but the direct opposite has happened. There has been a huge increase in freight rates since the ceiling on them was removed. Freight rates in the maritimes have also increased and many firms are being forced out of business.

Despite all the talk about a new environment for transport, the old theory holds true that the railway freight rate is the minimum rate charged by most forms of transport. It is the rate which the trucking industry applies. In effect it is the floor price for the transportation of goods, and competition does not have any real effect. This is particularly the case in western Canada where the only means of competition is by highway. Yet methods could be found to create a greater competitive spirit in the transportation field.

• (3:30 p.m.)

We had hoped that this huge capital expenditure of $264 million on behalf of the C.N.R. would bring about a reduction in freight rates, but how can it, since there is no real competition? The C.P.R. and C.N.R. are still setting like freight rates. They are still adopting the theory that if one increases a freight rate 10 per cent then the other will too and that whatever that rate is the trucking rate will come up to it or remain barely below it. So there is no real competition in the transportation industry, particularly in respect of long haul traffic. This is the situation in western Canada and, as we have heard, it is also the situation in the maritimes.

We said that this would be the case with the passage of the transportation bill. We said that competition had not reached the stage where it alone could be the sole principle on which a new rate-making system could be based. We argued against the captive shipper situation. We were disturbed by the attitude of the minister in this regard. How can a captive shipper prove himself to be captive if he has to prove it before the minister as chairman of the board when he said several times that he did not believe there was such a person as a captive shipper? It is fine and dandy to say that all Canadians should get behind the new transportation legislation because if we adopt the principles which were mentioned the other day it will facilitate the movement of goods throughout all Canada. It may facilitate the railways in the movement of goods—

The Deputy Chairman: Order. I regret to interrupt the hon. member but I think he is engaging now in a debate on transportation policy. May I remind him that we are on clause 4 which relates to issue of securities, application of amounts available and maximum amount of securities.

[*Translation*]

Mr. Grégoire: Mr. Chairman, are we dealing with clause 3 or clause 4? It seems to me that the last time we considered the bill, clause 3 had not been passed.

The Deputy Chairman: We are now on clause 4.

Mr. Grégoire: For sure?

Mr. Chrétien: Clause 3 was passed on November 28.

[*English*]

Mr. Horner (Acadia): Thank you, Mr. Chairman, for reminding me to return to the clause. Because of the failure of the new transportation bill to be effective I was tempted to stray somewhat in my remarks. Since the importance of transportation is such that it is the lifeblood of Canadian industry, particularly in western Canada and the maritimes, one tends to dwell today on the approach taken by the C.N.R. They are not providing what the consumers believe should be required of the system. We are asked here to approve an ever-increasing amount of capital expenditure. Therefore we should like to see a better budgetary system. Rather than finding ourselves in the position of being asked to vote the money after it has

been spent we should like to be able to take a look at the projected capital expenditures of the C.N.R. for the next five years so that we would know where they intend to go. We would like to know whether they intend to spend more money on the trucking industry or on hotels or on telecommunications.

We see that in this year they have spent nearly $5 million on the development of their hotel system. I was a member of the transportation committee for many years. We were told by the officials of the C.N.R. that very few of their hotels ever made a profit and that most of them lost money. Therefore we ask whether this huge expenditure is wise. In most cases when we are presented with these figures the money has already been spent and therefore there is not much purpose in questioning it. As parliamentarians who are interested in the field of transportation we should have an opportunity to look at future capital expenditures rather than be placed in the position of having to authorize expenditures which in many cases have already been made.

We would like to see a breakdown of the expenditures. Rather than having an item, "road property, $79,701,000", why should we not have information in respect of how much was spent on the trucking industry? What does this item really mean? Is this where the trucking industry comes in? We would like to know how much is being spent on the trucking industry and how much is to be spent on it next year. I am sure every trucking company in Canada would like to know where the C.N.R. is going in this regard.

I believe that Air Canada should be separate from the C.N.R. It is a large and growing concern. Many people across Canada would like to see greater activity by other lines. A slow, piecemeal approach has been taken with regard to granting Canadian Pacific Airlines landing rights in Canada. I should like to see Air Canada's capital expenditures projected for the next five years so that we could ascertain whether or not this will meet the flying needs of Canadians and whether in the next five years we could perhaps give some of the other air lines the right to serve Canadians. Perhaps they could serve Canadians much more cheaply than Air Canada does. Who knows?

As the representatives of the taxpayers we are not told enough about the C.N.R.'s methods of budgeting and financing. We are not told enough about the position of the C.N.R. in respect of branch line construction, the hotel situation or the future plans in respect of Air Canada. We do not know what their air policy really is and for how many years they intend to dominate air traffic without any real competition by which we could gauge whether or not they are running an efficient operation which meets the needs of the consumer.

[Mr. Horner (Acadia).]

Mr. Fawcett: Mr. Chairman, during the interval since Bill No. C-151 received second reading a number of things have occurred which have caused some soul searching on the part of many hon. members in respect of the limited jurisdiction parliament has over the operations and policies of Canadian National Railways. We are asked to authorize the provision of money to meet certain capital expenditures of Canadian National Railways. The sanction of parliament is required in order that the C.N.R. may continue in business. Yet we are placed in an impossible position when the time comes for us to scrutinize the manner in which the money is spent in order to determine whether it is an economic operation and whether we are receiving value for the money we authorize.

The hon. member for Vancouver Quadra the other night complained that the members of the committee on transportation were placed at a disadvantage in dealing with the C.N.R. owing to the fact that the officials of the C.N.R. when they appeared before the committee came armed with a profusion of statistics to prove any particular case and because of the inability of the members of the committee to acquire the expertise to assess these statistics properly. The hon. member for Vancouver Quadra, as recorded on page 4820 of *Hansard* for November 28, said:

> It is the problem of acquiring in the committee structure of parliament a little more expertise in our capability to examine crown corporations such as the C.N.R., Air Canada and others.

As a member of the transportation committee whose duty it was to examine the C.N.R. I agree in this instance with the hon. member for Vancouver Quadra. I recall the scepticism of other committee members regarding the regressive costing system used by the railways and whether or not this type of costing resulted in a logical conclusion when the operations of the railway were being investigated.

• (3:40 p.m.)

When we approved Bill C-231 authorizing the establishment of a commission whose

duty it is to police and co-ordinate all modes of transportation so that Canada as a whole can be provided with a comprehensive, efficient and economical transportation system, one of our main objectives was to ease many of the restrictions on the railways thus enabling them to compete more efficiently and to take some of the subsidy burden off the backs of the Canadian taxpayers. We have witnessed some of the results of giving the C.N.R. some freedom in respect of rate fixing. The elimination of l.c.l. freight rates resulted in a fantastic increase in the transportation charges for small shipments of commodities. In some cases the increase amounted to close to 100 per cent. Other hon. members have dealt with this matter as well as with the unrealistic increase in the transportation cost to cream shippers in the west. I will not pursue the matter other than to say I have received many complaints from tourist operators regarding the large increase in the cost of moving boats and tourist supplies.

We are now in the process of making money available to a publicly owned transportation system; yet we seem to have a minimum of control over its operational policies. We are completely frustrated when it comes to breaking through the wall of insulation which protects it and prevents us from assessing the logic of rate structure changes and operational practices.

Like the hon. member for Chapleau, who spoke the other night, I too have had representations from unions representing employees who are being laid off in great numbers, many of them in the maintenance of way group, who complain bitterly that there is no justification for most of these lay-offs. The section men and bridge building gangs are responsible for the safe condition of the track and—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but it seems to me he is relating his remarks to lay-offs that are taking place in respect of C.N.R. personnel throughout Canada. The hon. member should relate his remarks to clause 4 dealing with the issue of securities.

Mr. Fawcett: Subclause 2 of clause 4 refers to clause 3, which covers in total the operational costs of the C.N.R. However, if it is still your opinion that I am out of order I will defer my remarks until we take up consideration of clause 1 of the bill.

Mr. Barnett: I should like to speak on the point of order, Mr. Chairman. I was listening rather carefully to the remarks of the hon. member for Acadia and, while I realize that perhaps this is a remonstrance in respect of that hon. member, he certainly covered an area as broad as that covered by the hon. member for Nickel Belt. In view of the fact that you have allowed the hon. member for Nickel Belt to proceed as far as he now has, perhaps it would be in line with the general feeling of the committee that he be allowed to complete his remarks rather than having to wait until we take up clause 1.

The Deputy Chairman: When the hon. member for Acadia was speaking I intervened and asked him to relate his remarks to clause 4. I have now made the same observation in respect of the speech of the hon. member for Nickel Belt. I make this observation for the benefit of future participants in this debate, and I would appreciate it if they would relate their remarks to clause 4.

Mr. Fawcett: I will conclude my remarks at this time by stating once again that I do not think parliament is properly able to investigate the operational policies of the C.N.R., and we have observed the results of this. I will defer the balance of my remarks until we deal with clause 1.

Mr. Nesbitt: Mr. Chairman, it was not my intention to make any observations this afternoon on this clause of the bill. However, I should like to make a few remarks in reference to capital expenditures and the issue of securities. My observations are really an elaboration of a question I asked on orders of the day. Had the answer given by the minister at that time been a little different perhaps I would not have felt it necessary to elucidate the matter now.

It has been brought to my attention by certain individuals who fly aircraft for Air Canada that a very serious traffic hazard exists at the Toronto airport because the routing of aircraft approaching Malton airport brings them over lake Ontario within a few thousand feet of the Toronto island airport. This airport is used by a considerable number of small private aircraft flown by, to put it in the vernacular, "Saturday afternoon pilots." These pilots perhaps lack the same degree of experience possessed by those who pilot Air Canada DC-8's and DC-9's. The information I have received from some Air Canada pilots has been to the effect that it is a miracle that a large Air Canada aircraft

has not up to now collided with one of these small planes.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but I am having some difficulty relating traffic hazards at the airport in Toronto to the subject of the clause we are now considering.

Mr. Nesbitt: I am sorry Your Honour has difficulty in relating my remarks to this clause because they do relate to capital expenditure. It is my feeling that if we can prevent the loss of an $8 million aircraft because of a collision this might have some effect on future capital expenditure. I am sorry Your Honour has difficulty in seeing the relationship. In any event I have just about concluded my remarks.

Like many other members I was very glad to hear that the minister has new air regulations. It is in everybody's interest to avoid the destruction of large capital assets of Air Canada. My understanding is that these large aircraft cost in the neighbourhood of $8 million to $9 million. We must also consider the lives of the people aboard these aircraft. I hope that when these regulations are promulgated they will require proper precautions to be taken in routing aircraft approaching Malton airport so they will not have to fly so close to the Toronto island airport. Those are my observations, which I make in the hope of saving the corporation some money in the future.

• (3:50 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I think there is a book which is too high between you and me, which prevents you from seeing me when I rise to speak, because I have risen three times already.

The explanatory note to clause 4 reads as follows:

> The amount of $122,000,000 appearing in this subclause is $67,000,000 for Air Canada financing for 1967 and $55,000,000 for interim financing for January 1st to June 30th, 1968.

That means a period of six months.

As for the amount of $67,000,000 for 1967, that means that Air Canada has an actual deficit of $67,000,000 at this time if it is for the year 1967, became we are nearing end of 1967 and we are almost in 1968. That means simply and clearly that Air Canada has been operating with a deficit of $67 million in 1967.

Mr. Chairman, Air Canada spends a lot of money, that is obvious. Air Canada renders very important services to the population, this we admit. However, as far as expenditures are concerned, I think that it would be possible to improve Air Canada's budget by adding economic lines to those which are not paying enough.

I take an example in my area. For three years I have been asking for an additional flight for Val d'Or and Rouyn, a night flight enabling our businessmen to go to Montreal, transact their business and return home the same day. The Viscount serving our area is nearly aways filled to capacity; therefore, it is a paying business for Air Canada, but they persist in refusing this second flight which would be profitable to them.

Why is nothing done to give that service which would serve our region, be useful to our people, and, at the same time, enable Air Canada to make a profit?

It seems to me that it is a matter that should be studied more closely by the senior officials of the company in order to enable our region to enjoy the services of Air Canada which, as I said, would be a source of profits for that company.

The Deputy Chairman: Order. I regret to interrupt the hon. member for Villeneuve (Mr. Caouette) but his flight of oratory on the air services in his region should be directed instead to a financial matter dealing with the issue of securities, the application of amounts available and the maximum amounts of securities. I do not think this is the proper time to speak of the services of Air Canada and their improvement.

Mr. Caouette: Mr. Chairman, with all due respect, and you know the great respect I bear you, this is not a flight of oratory, but a request for an extra Air Canada flight to Rouyn-Noranda.

In any case, Mr. Chairman, it is stipulated here that the sum of $67 million is for the financing of Air Canada for 1967. To finance itself, Air Canada must necessarily undertake some operations.

If you want us simply to talk about the sum of $122 million and about the debentures and securities which the government requests or allows those lenders who can lend money to the company, then I have nothing more to add, Mr. Chairman. I will come back with my flight to Rouyn-Noranda on clause 1 of the bill.

The Deputy Chairman: Shall clause 4 carry?

[*English*]

Mr. Smallwood: Mr. Chairman, we are dealing with the finances of Canadian National Railways. We all know that the railroads have spent a great deal of money on new express facilities to carry products across the country. We also know that though we help the railroads to finance these facilities they are discriminating against the producers of cream. They do this although we supply them with capital.

I wonder whether the Minister of Transport would pay attention to the debate for a few minutes and practise his leadership speech at some other time, because this is a very important matter. I will be very brief, if the minister will listen to me.

Mr. Hellyer: On a question of privilege, Mr. Chairman, I have been listening to my hon. friend. So far he has not said anything that is particularly new or instructive. I do not think he needs to give lectures. This bill is being handled by my colleague but I am available to assist in any way I can and try to be helpful. I do not think it is necessary for my hon. friend to make gratuitous remarks. I am sure he does not wish to do so.

Mr. Smallwood: It is very necessary, Mr. Chairman, that the Minister of Finance and the Minister of Transport pay attention to this important matter. All our trouble in this respect started with the commission that was set up by the government. Although, on the one hand we are financing the express movemen of goods across Canada and are helping the railroad by providing capital so they may improve their transportation system, on the other hand we are placing a hardship upon the people of this country. Perhaps the Minister of Transport would come to my assistance in this respect. Our difficulties in this field have increased since the setting up of the new transport commission and since we amended section 369 of the Railway Act.

I am going to give up, Mr. Chairman, because the minister is not paying any attention. It is no use talking any more so I will sit down. They are not interested in this bill.

[*Translation*]

Mr. Grégoire: Mr. Chairman, section 4 of the bill now under consideration deals with borrowings for Air Canada and for other expenses mentioned in section 3 of the bill.

Now, Mr. Chairman, I would like to point out why I object to the present borrowings of the Canadian National Railways and Air Canada. Those loans are entirely unnecessary and I do not see why the C.N.R. and Air Canada should resort to borrowings through the issuance of bonds or certificates, when we know that the C.N.R. management is responsible for the deficits and for the fact that the company is unable to finance itself out of the profits it could make.

I should like to give an example, Mr. Chairman, of the mismanagement of the C.N.R. which forces them to borrow because, precisely, they show incomprehensible deficits.

I have here a Quebec highway transport publication, the magazine of Quebec trucking firms. The September 1967 issue reports a striking case and I mention it to show to what extent the C.N.R. is forced to borrow when they should not, through mismanagement. The article reads as follows:

On November 23, 1966, an eastern townships trucking concern started to carry pulpwood between Donnacona, Quebec, and Graveton, New Hampshire. The shipper is DOMTAR Co. Limited. The shipping rate is $9.45 per 2,000 pounds, based—

—and note this, because it is important—

—based on a minimum load of 40,000 pounds.

What is important Mr. Chairman, is that that was then the published freight rate, $9.45 a ton for pulpwood between Donnacona and Graveton. It was the C.N.R. rate.

• (4:00 p.m.)

At first the transport company made two weekly trips, and afterwards, the shipper—

The Deputy Chairman: Order. I am sorry to have to restrain the enthusiasm of the hon. member for Lapointe, but I fail to see any connection between clause 4, which deals with the C.N.R. financing, and the fact that the hon. member is trying to compare certain C.N.R. rates with those of the trucking industry.

Mr. Grégoire: Mr. Chairman, let me explain it this way: I am against such borrowings and I will tell you why. It is due to the mismanagement of the C.N.R.

I am giving you an example and in a minute and a half at the most, you will see that it is directely related to the case now under study.

As I was saying, the trucking company charged $9.45 per ton of pulpwood, the same rate as that of the C.N.R. Now, this is where the example becomes striking, Mr. Chairman.

Where the C.N.R. had set a rate of $9.45 per ton—

The Deputy Chairman: I am sorry to interrupt the hon. member, but the principle of the bill was passed on motion for second reading. We are now studying the bill in detail, and have reached clause 4 which deals with the financing of the C.N.R.

I do not think—

Mr. Grégoire: In other words, Mr. Chairman, you are telling us to shut up, to stop discussing this bill. That is what you have been doing from the start. If this is what you want, that is, to impose the guillotine, say it right now, and we shall resume our seats.

Just now, I was quoting a case with respect to the matter under study, but you did not allow me to pursue it, you made a ruling before I could prove my point. If you want to impose the guillotine, say it, that is what it looks like.

The hon. member for Villeneuve asked to have the floor, but you said no; another member was recognized. Two Tories, even three, wanted to have the floor, but you ruled this was not in order, and told them not to speak. If you want us to shut up, just say it, and we will take our seats.

The Deputy Chairman: If the hon. member wishes to continue his remarks, he should confine them to clause 4.

Mr. Grégoire: That is precisely what I mean to do, Mr. Chairman. In my opinion, the principle of the bill is not the financing of the company, and loans are not necessary to finance the C.N.R. The principle of the bill is the financing of the C.N.R. In fact, clause 4 stipulates that it is necessary to borrow money to finance the C.N.R., but I say that the C.N.R. should be financed according to the principle of the bill, but not by loans as stipulated in clause 4. I do not see how I could violate the rules of the house by saying this.

If I may be allowed to finish giving my example, you will see that my remarks deal with clause 4, for the principle of the bill—and I continue on the same point of order—says that the C.N.R. must be financed. We approve of the bill in principle, but clause 4 of the bill does not say that the C.N.R. should be financed by its own resources, but by loans.

That is what I object to, Mr. Chairman. I do not object to the principle of the bill, but to the method used to finance the Canadian National Railways. Do you not think then, Mr. Chairman, that I conform to the rules of the house?

[Mr. Grégoire.]

Mr. Chrétien: I would not like to interrupt the hon. member unduly, Mr. Chairman, but clause 4 provides for the financing of Air Canada through loans by the C.N.R., but there is no mention of the financing of the C.N.R.

Mr. Grégoire: Air Canada is mentioned, Mr. Chairman, at the end of subclause 2, as follows:

—towards meeting the expenditures authorized by section 3, other than those required by Air Canada.

In fact subclause (2) of clause 4 says:

—shall be applied towards meeting the expenditures authorized by section 3, other than those required by Air Canada.

Now, the expenditures other than those required by Air Canada, are the expenditures of the C.N.R. That is why I believe that section 4 equally applies to the C.N.R.

So, Mr. Chairman, I pursue my argument to explain why I am not so much against the principle of the bill which is the financing of Canadian National Railways as against the principle of financing through borrowings. I say that borrowings would not be necessary if the Canadian National Railways were managed properly and capably.

Mr. Chairman, I summarize my argument, so to speak. I was saying that the trucking concern carried pulpwood from Donnacona to Graveton, New Hampshire at—

The Deputy Chairman: Order. I regret to interrupt the hon. member but twice I took the liberty of indicating to him that clause 4 is now being considered by the committee, and the hon. member seems to be going into a general discussion of the policy of the Canadian National Railways.

Mr. Grégoire: Mr. Chairman—

Mr. Habel: On a point of order, Mr. Chairman, I would ask you to be very lenient with the hon. member for Lapointe (Mr. Grégoire), because he is an expert in financial matters, and he has proved it in the past. He sold pens, he went to France to raise funds for the separatist movement. He is an expert in financial matters.

Mr. Grégoire: Mr. Chairman, it is a Liberal who has just spoken. He has not been called to order, indeed not. He is a Liberal. It seems to be customary—

The Deputy Chairman: Order. Would the hon. member for Lapointe kindly refrain from making such remarks.

The hon. member for Cochrane (Mr. Habel) raised a point of order and made some remarks which are out of order, since he referred to the views of the hon. member for Lapointe in another respect. Still, I beg the hon. member for Lapointe (Mr. Grégoire) to comply with standing orders which he knows so well and which he often interprets very well. At this point, the Chair asks him to comply with one of the orders under which whenever the house sits in committee of the whole for examination of a bill, the remarks must bear strictly on the clause under study.

Mr. Grégoire: Mr. Chairman, I congratulate you on having reminded the hon. member for Cochrane that his remarks were out of order.

Now, I should like to make a point, Mr. Chairman. I thought I had explained to you at one point why I felt I was complying with standing orders.

At one point, I asked you if that was not correct. You did not answer me, and that is why I carried on.

Mr. Chairman, if you care to hear my argument, clause 4 deals not with financing method of the National Railways and Air Canada. Under clause 4, that method means borrowing. Now, as I said earlier—Mr. Chairman, I notice that you are in consultation with your advisers.

Clause 4—

The Deputy Chairman: Order. The hon. member for Lapointe (Mr. Grégoire) is requested to make his remarks and to pay no attention to what happens elsewhere in the house. I have called to order some honourable members and they all complied with the ruling of the Chair. Therefore, I would ask the hon. member to come to the point and not to raise points of order and questions of privilege and to deal with clause 4 which is now under consideration.

Mr. Grégoire: Mr. Chairman, I accept your offer. I accept your closure and I sit down. If they want to impose it, let us accept it.

Mr. Duquet: Mr. Chairman, I ask that the hon. member for Lapointe be called to order and that he withdraw what he said. There are limits to insults to the Chair, and I ask that the hon. member for Lapointe withdraw his remarks.

[*English*]

Mr. Starr: Mr. Chairman, my participation in this debate will be confined to one point. Earlier in the day I asked the Minister of Transport whether he would give his blessing to a proposal that the standing committee on transportation should go to the maritimes, giving the people of that area an opportunity to bring their problems before the committee and air their views. I think we would be prepared to terminate the debate at this point if the minister would give an indication that he is in accord with this proposal.

Mr. Hellyer: I have been thinking about this suggestion and it does seem to me to be a very reasonable proposition. I have taken the liberty of discussing it with other members of parliament including two of our own members from the maritime provinces, the hon. member for Antigonish-Guysborough and the hon. member for Westmorland, who agree that it would be desirable to have the committee visit the maritime provinces some time at its convenience in order to learn at first hand from the people of that area the problems they face and any solutions they may wish to put forward.

I think there is some advantage in this procedure in that it would enable members from all parts of Canada to familiarize themselves with the problems on the ground and to get not only the data but the "feel" of the situation and then to evaluate the position for themselves. In these circumstances I believe I can give the idea my complete blessing. I shall be glad to discuss it with the chairman of the committee when he returns and to suggest he might take it up with the committee in the hope that satisfactory arrangements can be made to go down there in the not too distant future.

Mr. Coates: Is it also the intention to refer the study which was carried out on transportation in the Atlantic provinces to the committee in order that the committee may have a basis for its considerations when it does go to the maritimes for public hearings?

Mr. Hellyer: Perhaps I could take that specific question under advisement. Certainly the subject matter is the same and it might well be that the hon. member's idea is an acceptable one. I should like to reserve judgment on it at the moment until I have had a chance to think about it. Certainly that would be the object of the visit, to study the problems of transportation. I can see no reason why they would not want to consider as much material as is available.

• (4:10 p.m.)

Mr. Bower: Would the minister undertake to use his good offices to see that this committee visits the west end of Nova Scotia during the course of their investigation of the deplorable state of transportation there and the costs arising therefrom? I mention specifically a meeting in Yarmouth which is the terminus of two railroads operating to the end of that tenuous line of transport that we have.

Mr. Stewart: Will the minister of highways for Nova Scotia be a witness?

Mr. McCleave: Would the minister be prepared to meet some maritime bodies in the meantime before the visit of the committee to Atlantic Canada? I know there are groups in Halifax who are very much disturbed about the l.c.l. situation, port traffic and the like who would like to have a meeting publicly or privately with the minister. Can he assure us he would be willing to set aside a reasonable time within the next few months to meet with these groups at their request?

Mr. Hellyer: In view of the fact my hon. friend has given me as much leeway as he has I must be gracious and say, yes, I would be glad to consider a meeting. The first meeting, of course, is planned with the premiers of the maritime provinces, and I think an announcement will be made on that very soon. We will probably be meeting within a few days.

Mr. Herridge: Mr. Chairman, when I see members rising and asking the minister to visit various parts of Canada I am impelled to ask him to inspect the Kettle Valley railway line as well and discuss this problem. I did not rise primarily for that purpose but I hope he will give it consideration.

As we have reached the more tranquil waters of this debate, I rise to discuss clause 4. I should like to read the explanatory note:

> The amount of $122 million appearing in this subclause is $67 million for Air Canada financing for 1967 and $55 million for interim financing for January 1st to June 30th, 1968.

My question is this, and I seek the information because the public may be misinformed by this explanation. I have been informed that the balance sheet of Canadian Pacific Airlines does not show any such need for capital. Will the minister explain to the house if this capital expenditure is occasioned by the type of service Air Canada gives generally to remote areas that are not now served by Canadian Pacific Airlines?

[*Translation*]

Mr. Chrétien: Mr. Chairman, in answer to the question put by the hon. member for Kootenay West (Mr. Herridge), this amount of $122 million, divided into two parts, namely $67 million for 1967 and $55 million for 1968, does not represent losses but only capital expenditures on the part of the Company. If we have provided for an amount of $55 million for 1968, it is on account of certain commitments Air Canada had to take in order to buy equipment which will be delivered in 1968.

[*English*]

Clause agreed to.

Clause 5 agreed to.

On clause 6—*Minister may make loans to the national company.*

Mr. Keays: Mr. Chairman, I should like to take advantage of the opportunity while we are on clause 6 which authorizes the minister to make loans to the national company, to issue an invitation to the transport committee to visit another part of the Atlantic region known as the Gaspé peninsula, which is also covered by the Maritimes Freight Rates Act. As the minister knows, we in that area also have problems. We often ask if it is in the interest of all Canadians for the minister to make loans to the national transportation company without taking into account the welfare of all those Canadians who live outside of the thickly populated areas.

Perhaps I might be allowed one minute to prove my point. Our people are being deprived of express and l.c.l. freight privileges. Our farmers are being deprived of the right to import baby chicks from Ontario firms. All these things, of course, are to the disadvantage of great groups of Canadians. These farmers can no longer import baby chicks from Ontario because the Canadian National refuses to carry them. If there were any other modes of transport I could understand the position taken by Canadian National. However, these chicks cannot be shipped by air or by sea and they cannot be transported by any existing trucking system. The

number of days they would have to go unfed would mean they would not be alive when they arrived.

When we are debating the authority of the minister to make these loans I am of the opinion we must also recall the fact that the policy of the Department of Transport is to subsidize the national transportation company whenever necessary if it is operating in areas which are uneconomic. However, I have to object that the minister is able to make these loans available to the national transportation company unless consideration is given to the fact that there are Canadians living in other parts of the country who are suffering at the hands of the transportation system which is being paid for by the taxpayers of Canada.

I feel, therefore, that serious consideration should be given to the ill effects of this policy of Canadian National Railways, especially since the company cannot come up with any answers as to how we are going to get products into our area which are necessary for the subsistence of the people. If Canadian National is losing money, if it wants guaranteed payments from the government of Canada, then possibly the company could ask for less if it would come to the people of these regions and change some of the existing regulations concerning ownership risk, applied rates and so on. The company could at least make available to these people those products which they wish to import from other parts of the country and of which they are being deprived. I am still waiting for the answer which the Minister of Transport was going to elicit from Canadian National Railways.

Clause agreed to.

Clauses 7 and 8 agreed to.

On clause 9—*Minister may place amounts at disposal of company.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think the point I raised about clause 4 will be suitable as regards clause 9 where it is said, and I quote:

—the Minister of Finance, upon application by the National Company approved by the Minister of Transport, may, with the approval of the Governor in Council, place at the disposal of the National Company such amounts as may be required to enable the National Company to meet all such charges.

The word "charges" here, Mr. Chairman, refers to operation expenses.

The point I wish to make to the minister is that the Canadian National Railways, if it were managed differently, would not have to seek loans from the minister to cover operating cost deficits.

To this effect, I should like to quote an example which shows why the C.N.R. incurs operating cost deficits and why the minister, before approving any such loans, should request from the executive a review of their management practices?

I should like, at this time, to give an example of poor management, a specific, very typical case which shows clearly the reasons and causes for the operating cost deficits incurred by the C.N.R.

If the minister asked C.N.R. executives to alter their present management practices, he would not have to lend them money to cover operating costs.

So, I give an example, Mr. Chairman—or rather, I shall start all over again.

On November 23, 1966, an eastern townships trucking concern started to carry pulpwood between Donnacona, Quebec, and Graveton, New Hampshire. The shipper in this case is Domtar Company Limited. The rate of the trucking concern was $9.45 per 2,000 pounds based on a minimum load of 40,000 pounds, which was the published railroad rate. This phrase should be emphasized: $9.45 per 2,000 pounds was the published railroad rate. At the beginning, two trips a week were made by the trucking concern and, later on, the shipper asked for five trips a week. At this point, it becomes serious. On January 31, 1967, the Domtar Company advised the trucking concern that the Canadian National Railways had reduced their own rates to $7.35 per ton. The new rates thus represented a reduction of $2.10 per ton, or 22.2 per cent.

• (4:20 p.m.)

The Assistant Deputy Chairman: Order, please. I have listened patiently to the example given by the hon. member, but he is now discussing rates and if he reads clause 9 attentively, he will realize that there is no question of rates at all.

Mr. Grégoire: I have finished giving my example, Mr. Chairman.

I do not wish to speak about freight rates, but I just want to say this: In 1967, with the

22.2 per cent reduction of rates by the C.N.R.—and this is what I am trying to say, Mr. Chairman, to the hon. Minister of Transport—when everything is going up, including salaries and consequently operating costs, how could the C.N.R. not end up with a deficit in their operating costs, if they lower their rates when their operating costs are going up?

It is just because the C.N.R. are lowering their rates when their operating costs are increasing that they inevitably show a deficit in their operating costs. Then they turn around and, as they are allowed to by clause 9, they go to the Minister of Finance and say: "Our operating expenses show a deficit; lend us some money under the provisions of clause 9". Mr. Chairman, do you see how well my example is suited to clause 9? The operating expenses of the Canadian National Railways show a deficit, and the company wants to borrow money from the minister. Why do their operating expenses show a deficit? Because the Canadian National Railways have lowered their rates. Before the hon. Minister of Transport (Mr. Hellyer) begins to lend money, as he is authorized to do under clause 9, in order to cover the deficit in the operating expenses of the Canadian National Railways, he should say to the directors of the company: "Stop lowering your rates, and your operating expenses will not show a deficit".

The Assistant Deputy Chairman: Order. I do not want the hon. member to think that I am trying to muzzle him, but this question of loans to the C.N.R. is the responsibility of the Minister of Finance, not that of the Minister of Transport. There is no point in comparing rates, and this consideration should not be included in our study of clause 9, which has no relation to rates.

Mr. Grégoire: Mr. Chairman, it is not the rates aspect that I should like to express here. I want to deal with the first two lines of clause 9 and I quote:

(1) Where, at any time before the 1st day of July, 1968, the available revenues of the National System are not sufficient to pay all the operating . . . charges—

That is the point. Of course, the available revenues of the C.N.R. are not sufficient to pay the operating charges. This is what I say, Mr. Chairman, and this is the point I want to make. The available revenues of the C.N.R. cannot be sufficient to pay all the operating expenses. Why? Operating costs are very high and the Canadian National Railways reduce the rates. No doubt that cheaper rates cannot provide enough revenues to pay all operating costs.

What I say is in order, Mr. Chairman; I ask the minister to reverse his policy and, instead of lending money to the Canadian National, tell the directors, for instance: You, of the Canadian National Railways, see to it that your operating costs are paid through your revenues and if you want enough revenue to meet your operating costs, stop reducing your rates.

Mr. Chairman, the argument I advance is all the more founded that trucking companies can do so with profit, thanks to the previous rates of the Canadian National, while the latter reduce their rates, and then, as clause 9 says, the revenues available to the National Railways are not sufficient to pay all operating charges.

I object to that clause section, which each time revenues are not available to discharge operating costs, enables the minister to grant loans to the directors of the C.N.R. in order to pay the operating costs.

If they reduce their rates from $7.50 to $5, then the minister would still be compelled to grant them loans to enable them to meet their operating costs.

If the C.N.R. would reduce their rates to $1 per ton, the deficit would be even larger and the minister would have to grant them more substantial loans to enable them to meet their operating costs. It is as simple as that.

If, instead of making loans, as provided in clause 9, the minister told the C.N.R. management: stop cutting your rates so that your revenue will cover your operating costs, then, and still under clause 9, he would no longer have to make those loans.

Mr. Chairman, that is clear, that comes directly under clause 9. That is the example I had in mind and I think it is quite relevant. If we want the Minister of Transport, or the Minister of Finance at the suggestion of the Minister of Transport, to stop asking that the government be allowed to borrow to make loans to the C.N.R., then all they have to do is tell the C.N.R. management: Operate under normal rates, and if you do not want to do it, the trucking industry is ready to do it, because it has done it already.

It is about time, Mr. Chairman, that this scandal should stop, a scandal such as the one shown in clause 9, because under the

terms of this clause, it is said: that where, at any time, the available revenues are not sufficient to pay all the operating charges of the National System as and when due, the minister may place at the disposal of the National Company such amounts as may be required to enable the National Company to meet all such charges.

Under these circumstances, it is not difficult to do business, because it is the Minister of Finance that lends the money. While the Minister of Finance and the Minister of Transport are acting in this manner, under clause 9, the National System is forcing into bankruptcy the trucking companies, because it is assured, in case of a deficit, that the Minister of Finance will lend the required amount of money.

Mr. Chairman, clause 9 does not make any sense and I strongly object to it. I would rather like clause 9 to be replaced by something along these lines: If the revenues of the Canadian National Railways do not meet operating expenses, the C.N.R. should be forbidden to lower their rates. I am not suggesting they should raise their rates, but what I am saying is they should be forbidden to lower these rates, in order to favour a large company such as Domtar, which carries our lumber to the United States. Those who will benefit directly from the loans of the hon. Minister of Finance are the pulp and paper companies in the United States, since the loans aim to reduce the rates, thus enabling the American companies to buy our lumber at a lower price.

Mr. Chairman, we might as well pay the Americans for the lumber they buy from us. This is what is happening under that clause. We are paying the Americans for the lumber they buy from us, under that clause. In addition, it contributes to ruin our trucking companies. That is why I am against that clause.

I feel that the example I gave shows readily that clause 9 is inconsistent. I came across it, as I said ealier, in the magazine of the Quebec trucking business entitled: *Transport routier du Québec, septembre 1967.* If the Minister of Transport wants other examples in that connection, he only has to inquire of the leaders of the Quebec Trucking Association and of the Canadian Trucking Association to satisfy himself that the C.N.R. is not being operated in a reasonable and rational manner.

• (4:30 p.m.)

[*English*]

Mr. Cantelon: Mr. Chairman, since, from my understanding of this clause, parliament is to provide money for Canadian National Railways should they overspend their allotments, revenues or grants—call them what you will—for the year, I submit a clear case can be made to show that the railways and Air Canada ought to be refinanced. The huge debt structure which they bear ought to be removed in order that they may operate on a more realistic financial base. Bill C-231 attempted to introduce more realistic financing concepts for the railways. Under that bill the railways were not required to be refinanced. An attempt was made to allow the railways to increase revenues to the point where there would be no need for them to borrow money.

I do not think that Bill C-231 by itself will enable the railways to operate on a financially sound basis. If the railways are not to borrow from the government every year—incidentally, I notice that this year the figure involved is approximately $264 million while last year it was approximately $190 million and the year before about $155 million—it will be necessary for great changes to be made. The greatest changes must be in railway equipment. The railways must take advantage of technological progress. They need new types of cars and new types of trains similar to the new train that is to come into operation on the Toronto-Montreal run. Nevertheless, whether such steps will enable the railways to save enough money so as to make it unnecessary for them to borrow is a matter of doubt. Costs will probably be reduced, but I submit we are not making full use of new equipment in order to lower railway operating costs and thus eliminate the necessity for borrowing.

The most important task we face is to find in the near future some way in which the railways may be refinanced in order that their heavy debt burden may be removed. I am disturbed by reports, and they are more than reports, that the railways intend to operate at a profit by increasing rates to the extent that areas of the country far removed from central Canada will find it difficult to produce economically. I notice that l.c.l. rates have gone up. The railways tried to increase rates in the maritimes. Large increases have come into effect in my area of the country. In fact, I feel that these large increases are loading on the post office—

The Assistant Deputy Chairman: Order, please. I suggest that the hon. member ought to confine his remarks to the clause that is being considered. On other occasions the Chair has prevented other hon. members from talking about rates, because they are not pertinent to the clause we are talking about. I know that the hon. gentleman will wish to co-operate.

Mr. Cantelon: Yes, Mr. Chairman, I hope to do that. I was saying that a way ought to be found to prevent this borrowing on the part of the railways. My point was, and I will close on this note, that this work of the railways is, I feel, loaded on the post office. Certainly that is true for my area. If the post office can carry this business at a profit, then I think the railways should be able to carry it at a profit too. If the post office is not handling it at a profit, then the losses are being deducted from the railways and loaded on to the post office.

[*Translation*]

Mr. Grégoire: Mr. Chairman, this time I should like to speak to clause 9 (2), because I feel it is almost useless, or at least the first part of it, since it says:

> All amounts placed at the disposal of the National Company pursuant to subsection (1) shall be reimbursed to the Minister of Finance from the annual revenues of the national system in so far as such revenues are sufficient,—

Now, Mr. Chairman, the C.N.R. always has deficits, it has never enough revenues. Why is this mentioned then? We know its revenues are not high enough and that its operations always show a deficit. I have been here in the house for ten years and the C.N.R. has always been in the red. Why then put in a clause such as this, when we know there is going to be a deficit? Is this being added to bluff us?

It says that if the C.N.R. has any surplus, they will pay us back. But they never have any surplus. Why then add this? Can the Minister of Transport (Mr. Hellyer) tell me why this is being added? Why add that if there is any surplus the C.N.R. will repay to the government? Not only will there not be any reimbursement, but as the bill says here, and I quote:

> —and any insufficiency shall be provided for by subsequent deficit appropriation by parliament.

Not only will revenues be unsufficient to repay the loan, but the government will also have to vote other moneys to cover the C.N.R. deficits.

So, Mr. Chairman, is not this subclause superfluous? It seems the Member of the Administration, the former parliamentary secretary to the Minister of Finance, would like to reply to that.

Mr. Chrétien: Mr. Chairman, in reply to the objection raised by the hon. member for Lapointe (Mr. Grégoire), I should like to stress that clause 9 authorizes the Minister of Finance (Mr. Sharp) to grant provisional loans to the C.N.R. if they run short of cash during their operations

I should also point out to him that, with respect to clause 9, in the 1967 budget, the Minister of Finance had to lend only $15 million to the C.N.R. on a provisional basis. At the end of the year, if the directors cannot repay this amount, special appropriations will have to be voted. However, that is a budgetary system which allows the Minister of Finance to make temporary loans. If there is a deficit at the end of the year, the act provides the method by which it must be covered.

Mr. Grégoire: This confirms what I say. This is called a temporary loan which will be repaid if there is a surplus. But there is no surplus. Stop trying to make us believe there was.

Mr. Chrétien: A surplus in the operating budget of the C.N.R. is not always impossible.

Mr. Grégoire: That is in the realm of possibility, Mr. Chairman, but everyone will laugh, especially when they examine the results of the last few years and see deficits of about $24 million. The deficit was $33 million in 1965, $38 million in 1964, $43 million in 1963, and $48 million in 1962. Mr. Chairman, one can go back further and there is always a deficit. But we are told: It is possible that there may be surpluses. We should not be taken for simple-minded people. These temporary loans are permanent loans which will be voted a second time, to be cancelled. The directors of the National Railways will not have to refund the money. It is a deficit for the year. The Minister of Finance, or rather the Member of the Administration—I am sorry, Mr. Chairman, perhaps he will one day become the Minister of Finance, just as it is possible that the Canadian National Railways will pay their debts some day—the minister says that is possible.

In any event, I think that subclause 2 of clause 9 simply means that the Canadian National Railways will refund the money if

it shows a surplus. I think it is mere window-dressing, and I am ready to state that the Member of the Administration will become minister of finance rather than say the Canadian National Railways will ever refund these debts. So, let us consider them as permanent, or rather let us say to the directors of the Canadian National Railways to stop reducing their rates because they compete dishonestly with the trucking companies which pay taxes whereas the Canadian National Railways asks us loans all the time.

Mr. Chrétien: The only remark I would like to make, Mr. Chairman—

• (4:40 p.m.)

Mr. Valade: Mr. Chairman, I should like to take this opportunity to associate myself with those who expressed fear with regard to the threat that subsidies represent for the private trucking industry.

Repeatedly, during the last few years, many trucking associations have expressed their opposition to those increasing annual subsidies granted to the Canadian National, often at the expense of the trucking industry. The Trucking Association of Quebec especially expressed its disapproval through various briefs presented to the present Minister of Transport (Mr. Hellyer) and to his predecessors. It seems that no consideration has ever been given to the serious concern shown in a purely administrative manner, by private industry. Many people contend that such government competition with private enterprise could cause their enterprise to disappear.

I think that the remarks made to that effect certainly require the minister who, by the way, comes from Quebec where the problem seems more acute than elsewhere, to assume responsibility for specifying the government's intentions in that respect.

Will the government continue to abuse its monetary power to the detriment of private industry by granting subsidies to cover the deficits incurred by a crown corporation which is getting to be too great a competitor for the private trucking industry, to enable it to operate at a profit, a thing which is, of course, absolutely basic for private enterprise?

I think I am in complete agreement with the thinking and the spirit of the Conservative party, which has always favoured the emancipation and the development of private enterprise. But how can we maintain that we are helping private enterprise if, at the same time, we are making profits impossible because the government, by its financing and its subsidies, becomes precisely a direct competitor of private enterprise and, particularly, of the trucking industry?

I think that the minister has a great responsibility in that field, because it should not be forgotten that truck owners, in short, the whole private transportation industry, are taxpayers. They pay taxes, direct and indirect on materials and equipment they use. Private enterprise pays a staff to manage their business and all that is possible only if the trucking industry can make profits.

But when the government, which bought private transportation companies, to form another government organization—

The Assistant Deputy Chairman: Order. The hon. member commits the same error as some of this colleagues: He makes a comparison between the trucking industry and the railways, and clause 9 does not deal at all with the trucking industry. Therefore, such a comparison is out of order.

Mr. Valade: Mr. Chairman, I think that is quite in order because it is a matter of giving the C.N.R. full power to finance itself out of the revenue of the government, and that liquidity or increase in capital comes in direct competition with the trucking industry. And that is the principle I am defending now. In fact, I am not drawing a parallel, I am not studying two different situations but rather the influence that such a borrowing facility for a crown corporation can have on the private trucking industry.

Mr. Chairman, we could discuss that matter for hours and for days, but I have the impression that we cannot do anything about it because it has become a habit, on the part of the government, to increase the funds available to the C.N.R. and to disregard those who have made serious representations to the government and to the Minister of Transport about the serious consequences that this policy can have on their enterprise.

And I think the responsibility rests upon the minister to give the trucking companies the assurance that the ease with which the Canadian National Company gets credits in order to make up for its deficits, will not be harmful to them.

I think the minister should first of all give an answer to that as I have other questions to ask him.

C.N.R. Financing and Guarantee Bill

Mr. Chrétien: Mr. Chairman, I should like to give an answer to the hon. member.

I wish to point out to him first of all, that the hon. member for Lapointe (Mr. Grégoire) said earlier that the Canadian National had never had an operation surplus. Well should he examine the budget or the Canadian National's annual report for the years 1955 and 1956, he will find out that that body actually had a surplus.

As my hon. friend from Ste. Marie (Mr. Valade), who mentioned that the philosophy of the party he represents does not favour deficits as regards operations of the Canadian National, I wish to point out to him that during the years the Conservatives were in power, the deficits of the Canadian National Company were the highest of all in the history of this crown corporation. As a matter of fact, the deficits amounted to 62 and 64 million dollars whereas the one forecast for next year is of $15,000,000. Moreover, according to the new policy on the part of the federal government, we want deficits to be completely eliminated.

The Assistant Deputy Chairman: Order. The hon. minister is completely out of order.

Mr. Valade: Mr. Chairman, if we paid for deficits when we were in power, it was for deficits accumulated by the previous Liberal administration that had made so many mistakes in the—

The Assistant Deputy Chairman: Order, please. The hon. member should not follow the example of previous speakers.

Mr. Valade: Mr. Chairman, I thank you for indicating that I should not follow the example set by previous speakers, by the minister, and it is exactly what I do not want to do. I would not want the minister to be allowed to perpetuate in the field of administration a policy that has shown itself to be harmful to the trucking industry.

• (4:50 p.m.)

I know that my intervention cannot change anything, Mr. Chairman, as we are all aware of it. However, I ask the minister to be a little more serious in his approach to the problem and to realize how much the private trucking industry is concerned about the C.N.R.'s possibility of competing with it thanks to public funds.

That is my objection, Mr. Chairman, and I think the minister should explain to us why the government persists in granting subsidies to a crown corporation which never makes a profit, but which is forever experiencing deficits.

It is stated that it will probably make a surplus one day. The government, and more especially, the minister, should tell us whether we must expect surpluses at a given time. If the government gave us the assurance that this situation will stabilize itself in the near future, I think private enterprise could adapt its policies accordingly, but until then, I think the minister should tell us frankly whether his government or the department he runs will simply continue to cover deficits indefinitely at the expense of the private trucking industry. Here, I speak on behalf of those who have already submitted briefs asking the government to concern itself with their problems.

[*English*]

Clause agreed to.

On clause 10—*Amounts at disposal of Air Canada.*

Mr. Cowan: Mr. Chairman, when the hon. member for Vegreville was speaking a few days ago on an earlier clause in this bill I stated that when we reached clause 10 I would have some questions to ask the Minister of Transport, and I want to ask them now. My intention some days ago to pose these questions has been heightened by the remarks made in the house last Thursday night by the Minister of Finance.

When I first saw Bill No. C-151 I knew that it had to pass. I think I know enough about business to understand the necessity for it. However, clause 10 bothers me. To have the financing of Trans-Canada Air Lines—Air Canada, before some hon. members get excited about about my calling it Trans-Canada Air Lines—incorporated in the C.N.R. bill seems a little interesting, although I know they have been handling the express business for some time.

Clause 10(2) of the bill reads as follows:

(2) All amounts placed at the disposal of Air Canada pursuant to subsection (1) shall be reimbursed to the Minister of Finance from the annual revenues of Air Canada in so far as such revenues are sufficient, and any insufficiency shall be provided for by subsequent deficit appropriation by parliament.

This evidently is anticipating a deficit position in respect of T.C.A. I have read their annual reports for many years and in my opinion it is a well administered organization. In recent years, however, T.C.A. has been

faced with competition from a privately chartered company, Canadian Pacific Airlines. I have been interested in Canadian Pacific Airlines since long before its formation. I knew Punch Dickens and Grant McConachie personally when they were bush pilots flying out of Edmonton. Their record in connection with aviation is a credit to them and to the country as a whole. Grant McConachie, of course, was one of those who made Canadian Pacific Airlines what it is today.

A former government granted a charter to Canadian Pacific Airlines and it began to fly across the country with very limited stops. It seemed that with the limited stops granted to C.P.A., T.C.A. was still in a position to declare a profit. Whether that profit came from their overseas flights to Europe, from their Caribbean flights to the south seas or from their domestic flights to points between St. John's, Newfoundland and Victoria, B.C. is a moot question.

I should like to ask some questions on this score. On November 30 the Minister of Finance speaking in the house told us about the dire straits in which the country finds itself. As recorded on page 4904 of *Hansard* he said:

> Another demand upon our funds is Air Canada. It is having to expand rapidly its fleet of aircraft and its various ground installations in order to meet the growing traffic demands on it.

I would be interested to know what the growing demands are. Are they on the Atlantic flights, on the continental flights, on the short haul flights or on the Caribbean flights? Then the minister went on to say:

> The Minister of Transport and I recognize that it will be necessary to exercise restraint on what the government lends to Air Canada in future years, requiring that company to seek sources of capital funds other than the government.

When I heard the Minister of Finance make that statement in the house last Thursday night, I was sitting here and I wondered whether Air Canada would be forced to finance on the basis of equipment loans as some railways in the United States have been doing for many years; that is, the equipment they use is the property of various financial organizations which have advanced them funds on capital account.

The Assistant Deputy Chairman: Order, please. I know that this bill brings to mind many problems in respect of transportation, but I have a great deal of difficulty in relating the remarks the hon. member is making now to clause 10. This is a clause to allow the Minister of Finance to place at the disposal of Air Canada such amounts as may be required, and so on. Actually it has nothing to do with the transportation problem.

Mr. Cowan: Mr. Chairman, I do not wish to disagree with the Chair but I am trying to point out how Air Canada will get in the position where it needs to get finances from the Minister of Finance. If its traffic is being cut in the throat it is not going to have the revenue to finance itself and is therefore going to have to ask the Minister of Finance to advance the money it needs. I am talking about the effect on Air Canada traffic as the result of direct competition from the privately chartered Canadian Pacific Airlines. I thought I was very relevant. I thought I was referring to clause 10 of Bill No. C-151. In the quotations I am making from the remarks of the Minister of Finance last Thursday he referred directly to the Minister of Transport. How more relevant can I be? I am sorry, sir, but I thought I was relevant and I believe I am.

The Assistant Deputy Chairman: The hon. member has asked how relevant he can be. He can actually be relevant to clause 10 which deals with the permission the Minister of Finance is seeking in order to help Air Canada if it has a deficit at the end of the year.

Mr. Cowan: Mr. Chairman, my comments are leading to this question: What will the deficit of Air Canada be as a result of the increasing competition offered by Canadian Pacific Airlines? Once we know what the possible deficit may be we will know exactly how much funds will need to be advanced to Air Canada which it is supposed to reimburse to the Minister of Finance from its annual revenues in so far as such revenues are sufficient and, any insufficiency shall be provided for by subsequent deficit appropriation by parliament. I am asking what effect the transcontinental flights of Canadian Pacific Airlines, when they were limited, had on the passenger traffic that was available to Trans-Canada Air Lines. Being more specific I should like to ask what effect has been apparent in respect of the across Canada revenue or passenger miles of T.C.A. as a result of the authority granted to the private

corporation to land at a number of intermediate stops. It is all well and good for the Minister of Finance to say:

> Another demand upon our funds is Air Canada. It is having to expand rapidly its fleet of aircraft and its various ground installations in order to meet the growing traffic demands on it.

Is it having to expand its fleet of aircraft because its traffic is increasing within Canada or is it increasing its fleet of aircraft to fly across the Atlantic or down to the Caribbean islands served by Air Canada?

My interest in this matter is deep because if the traffic of Air Canada is affected by the operations of a privately chartered competitor within Canada it may be placed in a deficit position. I believe we are entitled to some kind of statement concerning what has been the experience of Air Canada on the lines where it has had competition from a private company. I find this situation interesting in view of the fact that the government corporation is having to meet increased private competition which did not exist until the charter was granted and increased when a number of intermediate stops were authorized.

In the field of television and radio we have the government competing with the private broadcasting business. What they believe in doing in one area they do not do in the other. I would like to know the figures which are available. I hope I will not be given the 1967 figures which have been greatly inflated because of the increased traffic as a result of Expo. Since Expo ceased we have been able to obtain seats on airplanes in Canada without waiting three or four weeks. The information I should like is the over-all passenger traffic T.C.A. handled during, say, 1966 and 1965, broken down into the three divisions: (a) within Canada (b) trans-Atlantic and (c) to the Caribbean.

The Assistant Deputy Chairman: Order. The hon. member is talking about the operations of Air Canada. If I may be permitted to do so, I should like to draw the hon. member's attention to the fact that we are dealing with a clause which would give the Minister of Finance permission to make available such amounts as may be required to enable Air Canada to meet its charges and the manner in which these loans will be paid back. I should like to ask the hon. member to cooperate with the Chair. I am sure he will be glad to come back to the clause which is under study at this time.

[Mr. Cowan.]

Mr. Cowan: Mr. Chairman, it is impossible for me to come back to the clause because I never left it. I have asked my questions and now may I have the answers?

• (5:00 p.m.)

Mr. Hellyer: Mr. Chairman, the purpose of this clause is to advance moneys to the corporation during that period of the year when they operate at a deficit. Their business is highly seasonal and during part of the year they operate on a deficit. This is subsequently overcome by higher revenues during the summer period when trans-oceanic traffic is higher and traffic on domestic routes is higher. Consequently during the course of the year the money is repaid to the Receiver General of Canada.

No deficit is anticipated by the air line and at the present time it is operating at a very small profit. To say exactly what effect competition has had on the air line is almost impossible. Air Canada would give you its impression as to what has happened to their revenues as a result of competition, Canadian Pacific Air Lines might give you a different point of view and an independent arbiter might give you a third position. This is very difficult to outline, but I think one can say with safety that all of the available facilities were taxed to the limit of their capability and even beyond in meeting the traffic available during the last season. In so far as the future is concerned, and this might inspire confidence that there will be enough business available for both air lines in the years ahead, there will be a phenomenal increase in traffic available, something of the order of 600 per cent in ten years. With that kind of growth it should be possible for both air lines to expand considerably, and presumably profitably.

In so far as the main sources of profitable operation for Air Canada are concerned, and I am not an expert in these fields, I understand that basically they operate their North Atlantic routes at a very sizeable profit. This is used to compensate for losses on some of the shorter domestic runs. I believe this is a correct assessment of the position.

I suppose the introduction of competition has had some effect, but the over-all revenue position is not something I am in a position to outline exactly. There are a lot of people who think a little bit of opposition is very healthy, both on international and domestic routes, and that it helps to keep air lines on their toes in providing the kind of services to which the travelling public is entitled.

Mr. Cowan: Mr. Chairman, I thank the Minister of Transport for his remarks. I also believe that competition is a good thing, but I do not like to see it authorized by the government against a government owned authority if that authority is placed in a deficit position and has to come to the government for funds to carry on.

Mr. Hellyer: There is no indication that this is the case, Mr. Chairman.

Clause agreed to.

Clauses 11 to 13 inclusive agreed to.

On clause 1—*Short title.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, before this bill is adopted, I should like to comment on it in general.

Under Bill No. C-151, we are asked to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system. I should say, Mr. Chairman, that I am not quite satisfied as to how investment funds are being spent or allocated throughout Canada.

Before getting into this area, however, and since reference is also made to operational funds, there is one question I would like to ask from the Minister of Transport (Mr. Hellyer), to which he may reply when I am through talking.

I would like to ask him whether there is any truth about the removal in the C.N.R. Public Relations Branch, of the French Services, which included a manager, Mr. Gravelle, a secretary, Miss Tanguay, and a public relations assistant, Mr. Baillargeon, whose offices were locate on the 16th floor of the C.N.R. headquarters. If the answer is yes, I think we should ask ourselves some questions.

Now, the last time the bill was up for consideration, I asked the minister who was sponsoring the bill at that time, that is the minister of National Revenue (Mr. Benson) to tell me how much money was spent in each region and in each province of Canada. The minister could not then give me the data by province but he gave it to me by region and told me that the region of the St. Lawrence is considered today as the region of the province of Quebec. I note that out of a total budget of $96,956,300 in capital expenditures by the Canadian National Railways in 1967, there was earmarked for the St. Lawrence region only $12,839,000 or one-twelfth, or approximately 10 or 15 per cent of total expeditures, whereas Quebec represents 28.4 per cent of the population of the country as a whole. How is it that less is being spent in one region than in another? How is it that less is being received concerning such an important factor of economic development as communications.

I also have on hand the second report of the Board of Transport Commissioners of Canada for the fiscal year ending December 31, 1966, that is last year for which mention is made of expenditures by the Department of Transport for protection at level crossings for the years from 1909 to 1966.

For instance, one column shows the percentage of population by province. Quebec, is shown as having 28.90 per cent of the population of Canada, the total amount spent by the Railway Grade Crossing Fund as well as the Canadian National Railways is equivalent to 14.89 per cent, while Ontario, with 34.69 per cent of the Canadian population, has benefited by expenditures amounting to 52.21 per cent of the total amount.

Some hon. Members: Hear, hear.

Mr. Grégoire: I see that the hon. member for York-Humber (Mr. Cowan) is beaming all over; he is pleased that 34.69 per cent of Canadians benefit from 52.21 per cent of the investments. I admit that he should be happy about it, because Ontario is his province. But on the other hand, with the broad-mindedness that I credit him with he will also admit that Quebec, with 28.90 per cent of the total population, cannot be satisfied with only a share of 14.89 per cent of investment expenditures. If the hon. member for York-Humber or any other hon. member from Ontario were in my place, he would say the same thing: that Quebec did not by far get its share, and that in fact it hardly got half of it.

I asked the same question in 1962, and in 1963 in the house, and the figures were exactly the same, nothing has changed. We are told: Things are shaping up, it will change.

But a quick look at the French *Hansard* on page 7885, of 1963, at the bottom of the right column, is enough to realize that those figures are exactly the same as those which I have just quoted, and that nothing has changed. They say: It will change. For three years now figures have been quoted and it has not changed yet. I have the reports before me to prove it.

Mr. Chairman, that information is official, for it is published by the Queen's Printer—in my opinion there is nothing more official than that—and it states that 28.90 per cent of the people have benefited by only 14.89 per cent of the capital expenditure of the Board of Transport Commissioners taken from the Railway Grade Crossing Fund and by the Canadian National Railways, for the protection of drivers.

I have given two examples, Mr. Chairman, but there are many more. I wonder why the federal government discriminates in this way against the province of Quebec? And since we are speaking of transportation, Mr. Chairman, I would like to draw something else to the attention of the Minister of Transport. We are talking here about investments for the Canadian National Railways and Air Canada.

Obviously, the Canadian National Railways are also responsible for the operation of certain ferry services.

Well, Mr. Chairman, I should like today to deal with a subject in which I am particularly interested, winter navigation on the St. Lawrence. The bill before us makes no provision for capital expenditures for this means of transport while some are provided for the Canadian National Railways and for Air Canada.

Mr. Chairman, I should like to put the facts before the Minister of Transport. He has not been very long in his job so he may not have had the opportunity to find out of what is happening to winter navigation on the St. Lawrence, but I think that today, with a pamphlet by a professor of geography at the École des Hautes Etudes Commerciales of Montréal—

Some hon. Members: Order.

Mr. Grégoire: —who holds a doctorate from the University of Paris, Michel Brochu, geographer, we have here all the data required to state that the Minister of Transport could do much more at no additional cost whatever. It is simply a matter of ordering the icebreakers to work. At the present time, they have orders not to work. However, the men are paid the same way, their meals are paid for, they are getting their wages, the icebreakers are operative—

• (5:10 p.m.)

[*English*]

The Chairman: Order. I must advise the hon. member for Lapointe that he is now dealing with the Department of Transport whereas the matter before the committee is a financial bill respecting the C.N.R. May I suggest to the hon. member that he confine his remarks to the bill before the committee and particularly to clause 1.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I think that you are right, and, I accept your ruling. In fact, I made the remarks I wanted to make on clause 1.

First, I wanted to ask the Minister of Transport—maybe it would be better to repeat the question—whether it is a fact that the Canadian National's French service of public relations has been abolished.

I would also like to ask him why there is so much difference in the capital expenditures made in other provinces as compared to those made in Quebec. How is it that Quebec never receives its share of the aggregate capital expenditures of the Canadian National Railways?

[*English*]

Mr. Hellyer: I have no knowledge on that subject, Mr. Chairman, but I would be surprised if that were true. With respect to capital expenditures, it is impossible in our country to average out at all times the expenditures of all departments and all corporations. This would be ridiculous. My hon. friend might examine the expenditures in some other departments where he would find that Quebec's expenditures are far greater than the national average. He might compare the expenditures of that province with those of Ontario or Manitoba, for example.

Mr. McCleave: Or Halifax.

Mr. Hellyer: So there are compensating factors here which one must take into account. If the hon. member would look at the picture in perspective I think he would come to the conclusion that the province of Quebec does quite well, on average, and has in the past with the excellent leadership that has been given on its behalf throughout the years, even before my hon. friend was a member of this house, and at the present time by the government members who so ably support the demands of that province.

Mr. Bell (Saint John-Albert): What about money for icebreaking, while we are on the subject?

[*Translation*]

Mr. Grégoire: Mr. Chairman, precisely, it is because—

[*English*]

The Chairman: Order, please.

[*Translation*]

Mr. Grégoire: Mr. Chairman, precisely, I shall tell the Minister of Transport that it is because we have considered the reports from every department and every crown agency that we say that there is only one field where Quebec receives more than its share, when it comes to federal government expenditures, and it is that of unemployment insurance, because we have more unemployed. In the other departments, we are always in a deficit position.

[*English*]

The Chairman: Will the hon. member sit down, please.

Mr. McCleave: Kick him out.

The Chairman: Again I must advise the hon. member that he is going beyond the confines of the bill before the committee. I would again point out to him that this is a financial bill respecting the C.N.R. and not one dealing with the actual operation of the C.N.R.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I accept your ruling. I was only trying to correct the general information the Minister of Transport gave us and which, I thought, was erroneous. In fact, I think I have corrected it and I challenge the minister to bring us, at any time, precise figures on that; he will then see that his information is incorrect.

Mr. Chrétien: Mr. Chairman, I should like to refute the objection of the hon. member for Lapointe.

I feel it would only be fair to recall that the federal government spent huge amounts recently to help the Quebec government to improve its highway system in the Gaspe peninsula where the construction of a railroad had been planned. However, it was considered that a railroad would not be economical and, to compensate for that loss, the federal government transferred to the province of Quebec several millions of dollars to help develop that region, as a replacement for the capital expenditures the C.N.R. had planned.

Mr. Grégoire: How much?

[*English*]

Mr. Fawcett: Mr. Chairman, when I spoke very briefly on clause 6 earlier this afternoon I tried to indicate the inability of parliamentarians to really get to the bottom of the financial situation of Canadian National Railways because of a lack of expertise in our transport committee. I also said that because of this inability there seems to be a complete lack of control over the operational policies of Canadian National Railways.

At that time I was at the point of mentioning that the hon. member for Chapleau had said he had received representations from unions representing employees of the C.N.R. who are being laid off in great numbers. Like the hon. member for Chapleau, I have received representations from these people and particularly from the maintenance of way employees, the section men and the bridge building gangs who are primarily responsible for keeping the tracks in good condition for the operation of the trains.

A reduction in these gangs means there are insufficient men available to repair the track when a portion is found to be unsafe owing to a rock fall or possibly a wash-out. With reduced gangs these people find it increasingly difficult to inspect the condition of the track properly, let alone make the repairs and adjustments necessary to maintain the track in a safe condition. Here I would refer to the problem of shimming the track or keeping the track in line. This is particularly important during the spring and fall months when the frost—

The Chairman: Order. I hesitate to interrupt the hon. member but I must advise him that he is dealing with the operations of Canadian National Railways and the bill before the committee deals with the financing of the C.N.R. I hope the hon. member for Nickel Belt will confine his remarks to the bill before the committee.

Mr. Knowles: I wonder whether I might point out two things, Mr. Chairman. First may I call to Your Honour's attention that on previous clauses, when I think members were straying from the precise clauses before us, there was a good deal of discussion about the operations of Canadian National Railways. The hon. member for Nickel Belt made one attempt to deal with those operations in so far as they affect the finances of the

company. He accepted the ruling of the Chair to wait until an appropriate clause was before the committee. I suggest that clause 1 is the place where we can have a general debate if it is related to the bill itself.

The other point I would draw to Your Honour's attention is that this bill, the general clause of which we are now discussing, has to do with the provision of money for Canadian National Railways. Surely, when parliament is being asked to provide money for the C.N.R., we can ask questions about the way in which that money is being spent and about the results as far as employees are concerned. I appeal to Your Honour to recognize the difference between what my hon. friend is now trying to discuss, namely, what is happening to the employees of the C.N.R, and remarks we heard a while ago which did not relate to the C.N.R. at all.

• (5:20 p.m.)

The Chairman: The Chair recognizes the argument which the hon. member for Winnipeg North Centre has made. I am sure that in turn he will recognize too the difficulty which faces the Chair in keeping the committee within the bounds of the bill before us. If the hon. member for Nickel Belt is making his remarks by way of an example, they would be acceptable to the Chair. As a basis for a whole speech, however, they would be outside the confines of this bill. Maybe we could allow the hon. member for Nickel Belt to proceed.

Mr. Fawcett: Thank you, Mr. Chairman. The point I wish to make is that we in parliament have no means of assessing precisely the situation within the C.N.R. At the same time we see the company laying off employees and taking other steps which are detrimental not only to its workers but to the economy of the nation as a whole. If we are to be asked to pick up the tab whenever the company does not make sufficient profit to cover the cost of its operations, my remarks should, I contend, be considered as relevant. I thank you, Mr. Chairman, for giving me at least an opportunity to attempt to continue.

I was dealing with representations which have been made by spokesmen for the unions affected by the lay-offs, and I should like to put on record a portion of a letter I received the other day from a representative of the maintenance of way employees union. I shall quote a few paragraphs because they express

[Mr. Knowles.]

an opinion which I certainly support wholeheartedly and they express it just as well as I could.

I am sure you will agree this reduction is not caused by any lack of work, in fact the situation is becoming intolerable for our people, who must attempt to maintain the higher standards of track maintenance required by ever-increasing speed and weight of traffic, with fewer and fewer men.

Recently members of the Brotherhood of Railroad Trainmen, Locomotive Fireman and Enginemen and Locomotive Engineers on the Ontario Northland Railway brought rail operations to a standstill by a 24 hour sick strike; the chief complaint centered around unsafe operating conditions brought on by worsening track and roadbed conditions.

Mechanical equipment in major work programs reduces manpower requirements but the basic every-day problems of track maintenance, inspection and patrol are still performed more economically by hand tools and for this reason any lengthening of sections and reduction of forces is entirely unjustified.

Further on in the letter the writer says:

As grievance chairman, I write the following to express our opposition to such lay-offs.

On September 2, 1966, we were forced back to work by an act of parliament, to be laid off less than one year after. Men with 43 years of faithful service are laid off. It now seems clear that the railroad has not kept the development of human relations on the railroad in pace with the development of productions technology.

On one hand, the workers' purpose should be to strive to carry out honestly and well all agreements freely made without violence, disorder or outrage upon employers which might imperil the economic soundness of a concern and bring about hardships for both employers and workers.

Employers, on the other hand, should treat workers as free people, as co-partners in ownership, profits and management and thus avoid extremes of both the left and right. Those not possessed of considerable wealth, in short, the workers, are more defenceless against poverty and injustice than employers, hence an employer should never tax his work people beyond their strength. His great and principal obligation is to give to everyone that which is just.

I may say I subscribe to these observations. Another factor which is causing great concern to these employees is the fear that many of those who have been laid off will not be re-engaged, that more and more of their work will be done by so-called floating gangs made up primarily of men who do not have seniority or service rights or the protection of a union contract.

Lay-offs in other departments are more understandable than in the case of maintenance of way workers, though I do not wish to play down the fact that these other lay-offs are also of a most serious nature. Carloadings are down, it is true, and traffic in

general has slackened off to a great extent, though to what extent this can be attributed to the increase in tariffs is a debatable question. How can we find out when we lack the expertise to get to the bottom of the question? I submit that the case of the maintenance of way employees—

The Chairman: Order. Again I must advise the hon. member that the Chair is finding some difficulty in relating the remarks he is now making to the bill before us which deals with a financial provision for the C.N.R.

Mr. Fawcett: With all deference to you, sir, I shall have to repeat what I said earlier. When the company has to receive financial assistance from parliament in order that it can continue to operate, surely its operational policy should be capable of discussion in this chamber. I should like to draw attention to other lay-offs—

The Chairman: Order. Pursuant to an order of the house made earlier this day and in order that the house may revert to motions, shall I rise, report progress and request leave to sit again later this day?

Some hon. Members: Agreed.

Mr. Starr: I wonder whether the hon. member who has just been speaking could indicate how much longer he intends to take. Possibly we could pass the bill before us at this point before any statements are made.

Mr. Peters: No.

Mr. Fawcett: That would depend on how much I am in order. It would take about ten minutes.

Progress reported.

• (5:30 p.m.)

BILINGUALISM AND BICULTURALISM

TABLING OF FIRST REPORT OF ROYAL COMMISSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table copies in English and in French of the first report, volume 1 as it is called, and a very important report of the royal commission on bilingualism and biculturalism. The recommendations in this report, which are of far reaching significance, deal with the status of the two official languages of Canada. The report was made available to the government late last week and has already been the subject of consideration by the cabinet. The government has established machinery which will ensure that all the recommendations of the report are given serious and urgent appraisal so that the government may be in a position to make its views known without undue delay and to take whatever action is required.

I wish to state immediately, Mr. Speaker, what I have already said before more than once, that the government fully endorses the principle of French speaking and English speaking linguistic and cultural equality that forms the core of and is so clearly defined in this report. The report includes 14 recommendations, six of which deal with matters that are primarily for consideration by provincial governments; three would involve joint consideration and, if agreed, joint action by the federal and provincial governments; two are recommendations for constitutional amendment, while the remaining three lie within the jurisdiction of the federal government.

It is the intention of the government to deal as quickly as possible with those matters in this report which fall within its constitutional jurisdiction. The recommendations, of course, are also of the utmost importance and interest to provincial governments and copies of the report are being made available to each of those governments. I am suggesting also to the provinces that a discussion of matters in the report should be included in the agenda of the forthcoming federal-provincial constitutional conference which is to be held early next year. I hope that discussion with and consideration by the provinces will lead to agreement concerning all matters that involve their participation or require a constitutional amendment.

Since the royal commission was appointed in 1963 the matters which were outlined in its terms of reference have been under increasing examination within the country, and this has led to a greater understanding of the problems involved and of the necessity to work co-operatively to find solutions for them, as I am sure we can do. Since the commission was established the federal government has taken a number of important steps, some of which have a bearing on the recommendations in this particular report. For some time, for instance, policies have been in operation to promote bilingualism in the public service of Canada. The federal government has also initiated, in co-operation with the governments of Ontario and Quebec, a study of the necessary steps which should be taken co-operatively among the three governments and in consultation with the

municipalities concerned to develop a truly national capital area extending on both sides of the Ottawa river. The government will be announcing in due course other steps which relate to the recommendations in this report.

In the meantime, Mr. Speaker, I can assure the house that the report and its implications are being studied most carefully, as its importance demands. I am sure that all provincial governments will want to give this report the same careful attention. I should like to thank the members of the commission, Mr. Speaker, for this further evidence of the responsible and constructive approach they are making to the various and important matters entrusted to them for examination and report. They are exploring and clarifying problems, fundamental problems, of Canadian unity, diversity and federalism in the circumstances of today. By doing so they are giving invaluable assistance to all those who are searching in a sincere and positive way for solutions to these problems. Such solutions, based on unity in diversity, of equality and partnership, are essential to Canadian development, indeed to Canadian survival. They must, they will be found, Mr. Speaker, so that Canada can live and grow and provide a good life for all its people.

Mr. Deputy Speaker: Has the Prime Minister leave to table the documents referred to?

Some hon. Members: Agreed.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is the first of several volumes of the report of the commission. I, of course, have not been able to consider the report in any detail nor to confer with my colleagues in connection with it. There are, nevertheless, some things I should like to say at this time. This report deals almost entirely with the subject of language. I would express the hope that while we would not delay consideration in order to wait for additional volumes, nevertheless every effort should be made to make available the remaining volumes of the work of the commission as rapidly as possible so that we will have the whole picture before us.

As the Prime Minister (Mr. Pearson) has indicated, a number of the recommendations contained in this volume are within the jurisdiction of the provinces, especially those relating to education and consequently could not be implemented by this parliament. I should like to make the point, sir, that whether recommendations come within the jurisdiction of this parliament or within the jurisdiction of the provinces, they clearly relate to problems which are of concern to the country as a whole. They relate to the health and future of confederation, the future of our country.

It seems to me, therefore, that this parliament and the government, indeed all the national political parties, must be prepared to provide leadership in connection with these problems in all jurisdictions. The report, of course, deals with a subject which provides problems for a great many members of the house. I want to emphasize, however, that it certainly will not be our desire to attempt to derive partisan advantage from matters arising out of the report. We are, after all, dealing with the future of our country which I think is probably in some danger. We must have the determination and the courage to do what is required to be done and to do it without undue delay. I am optimistic, myself. While it is obvious, I think, that dissatisfaction has escalated in recent years, the degree of understanding and willingness to recognize these problems and deal with them has also escalated. We have seen the Estates General meet recently. One may question to what extent it was representative, but it gave the impression of consisting of serious people engaged in serious discussion.

• (5:40 p.m.)

Fortunately, Mr. Speaker, there is another side of the picture, and this was illustrated about the same time by the conference that took place in Toronto called on provincial initiative, indeed, on the initiative of the premier of Ontario. I hope I will not be accused of being partisan about the matter—I am saying this sincerely—when I point out that we have cause to be grateful that this conference did take place at that time, as it might have been rather depressing to Canadians generally to have only the picture that was being created by the Estates General. I think the premier of Ontario contributed an important public service, and I must say that I derive some pride and satisfaction as well from the role that was played by the premier of Nova Scotia.

In referring to the provincial initiative in calling this conference in Toronto I want to be understood as not criticizing the government in this connection. The fact that these provincial representatives spent three or four days together dealing with the provincial aspects of this problem was probably the right thing to do. I expressed the hope that the federal government would be represented

by ministers, but only as observers, and I emphasize I am not being critical in this regard.

However, Mr. Speaker, I do suggest that we must all be prepared to participate and to offer leadership, both members of the government and the other parties in the house. I hope we approach this report in this spirit. From what I have seen so far I do not think there is too much in the recommendations that will startle the people of Canada. I say this because of the discussions that have taken place over recent years and the movement that I think has taken place in terms of opinion. Some may even wonder why it took the commission so long to produce these recommendations. But the fact that this opinion has been expressed is itself an indication of the extent to which public opinion has changed, because I think that a few years ago these recommendations would certainly have been considered rather startling.

I would like to suggest that in regard to methods of procedure it might be appropriate for the Prime Minister to consult with the working committee of premiers that has been established. I do not suggest this method should be pursued exclusively but it is one method of proceeding.

In closing, Mr. Speaker, I should simply like to say that while I do not think I am inclined to be melodramatic, and I hope I am not inclined to oversimplification, I believe that the future of the country is to a considerable extent in our hands. I think we are going to be put to the test and I hope we will not be found wanting. The members of the party that I have the honour to lead will certainly wish to study this report carefully. We will do so with a sense of urgency and with a full awareness of the grave importance of the matters that are being discussed.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, while I have not had an opportunity of reading this report I nevertheless welcome it as an important contribution to a very fundamental problem. I think one of the things that impresses one as one glances over the summary is that the report is the unanimous opinion of all the commissioners. It is true that two of the commissioners have written personal addenda, but all of them have supported the main recommendations of this first report. I think that in itself is encouraging.

When the commission issued its preliminary report it warned us that there was a crisis in Canada. Events in this regard have certainly vindicated their views. As a matter of fact, Mr. Speaker, events in this country are moving so quickly that we are in danger of having events overtake us. If it is still true that to govern is to foresee, then certainly the thing we have to fear most is that we fail to keep abreast of the whole problem of Canadian confederation.

In this first report, which deals only with official languages, the commission has dealt with what is probably the most fundamental problem of biculturalism and bilingualism. I believe we ought to extend our congratulations to the commission on this report. Those who upon first glancing at it may think that the recommendations are somewhat radical must at the same time realize that startling and radical recommendations and actions may be necessary if we are to hold this country together and if Canadian confederation is to survive.

I was very glad to hear the Prime Minister (Mr. Pearson) say that he intends to ask the premiers of the provinces to put the subject matter of this report on the agenda for the forthcoming federal-provincial conference which is to be held early in the new year. I feel certain that the premiers of the provinces will agree, because if one may judge by the spirit which prevailed at the Confederation of Tomorrow conference the premiers of the provinces of Canada are concerned, as we in this parliament are concerned, about the preservation of confederation.

However, Mr. Speaker, I think this report has to be viewed in a wider context. The commission's terms of reference dealt only with the matter of bilingualism and biculturalism, but it seems to me that the conference to be held early in the new year must begin to tackle the wider problem of Canadian confederation. Since the commission will not be dealing with that subject there is no need to wait for further reports before proceeding with a discussion between federal and provincial governments of the matter.

It seems to me that there are two goals which we in this parliament irrespective of party are striving to seek. The first is to establish between the English speaking and French speaking communities of Canada equality of status and equality of opportunity. It is sometimes said that what the French speaking Canadians want is to feel at home in every part of Canada. I think they want even more than that. I think they want to feel that they will have a share in the economic and social progress of this country and

that they will be able to participate in their own language and within the framework of their own culture. I think that is the first goal we must set. We must work out ways and means by which these two cultural and linguistic communities can go together down the road of history co-operating on an equal basis and with equal opportunities.

• (5:50 p.m.)

The second goal which I think we in this parliament must set for ourselves is at the same time to build a strong and viable sovereign nation. We want Canada to be a country which has the necessary powers to promote full employment and an ever-increasing standard of living. In the process, therefore, of any constitutional changes which take place we want to make sure that we do not diminish the powers of the federal government, that we give to the federal government the necessary authority to promote economic growth and expansion and, what is more, Mr. Speaker, that we have a federal government strong enough to eliminate regional disparities, which can do more than anything else to destroy national unity. This may mean some redistribution of constitutional powers—this matter can be discussed with the provinces—if we are to deal adequately with such problems as housing, manpower training, pollution and the marketing of farm products. It may even mean that where the French speaking community in Canada feels its rights may be infringed on, special arrangements may have to be made with the province of Quebec.

The report which the Prime Minister has tabled is part of a continuing dialogue. I am convinced that with vision and good will on the part of all concerned we need not fear for the future. We need only fear apathy and delay. I hope that in the course of the next few months, at the federal-provincial conference and in parliament, we will apply ourselves to the task of strengthening confederation and at the same time bringing about happy and friendly relations between the two great founding races that make up Canada.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the statement made by the Prime Minister (Mr. Pearson) is very important, and I think that we should start by congratulating the members of the Laurendeau-Dunton commission for the objectivity with which they have done their work. They have performed their task well all across Canada.

[Mr. Douglas.]

The Prime Minister said a moment ago:

> The report includes fourteen recommendations, of which six deal with matters that are primarily for consideration by provincial governments; three would involve joint consideration and, if agreed, joint action by the federal and provincial governments, two are recommendations for constitutional amendment, while the remaining three lie within the exclusive jurisdiction of the federal government.

Mr. Speaker, that commission will certainly have proved useful to the population as a whole and, regardless of any political partisanship, we must admit that the Canadian Prime Minister is the one responsible for such understanding throughout Canada—

Some hon. Members: Hear, hear.

Mr. Caouette: —in every part of Canada, indeed, as has never been seen in the past. Even when Canada had a French-speaking Prime Minister, French Canadians were less understood than they are now with the present Prime Minister.

Some hon. Members: Hear, hear.

Mr. Caouette: Mr. Speaker, he sure heard some abusive language from people in his own party and also from other political groups in Canada. However, I think he has remained a Canadian in every sense of the word and he still wants Canadians to understand and get along with each other.

Mr. Speaker, recently a provincial conference was held in Toronto and we should congratulate now, I think, the initiator of that conference, Premier Robarts, who invited all premiers, from all provinces of Canada, to discuss the Canadian constitution and to consider the part French Canadians should have in the good operation of our country or in the administration of Canadian affairs.

On map No. 1, which shows the distribution of population by province, I note that in several other Canadian provinces there are French-speaking minorities practically as numerous as the English-speaking minority in Quebec.

I have said over and over, Mr. Speaker, and I will say it again this afternoon: We wish that every Canadian province would treat the French-speaking minority within their boundaries as we, in Quebec, treat the English-speaking minority within our boundaries.

Some hon. Members: Hear, hear.

Mr. Caouette: Then we shall have taken the first step toward greater understanding.

In Quebec, Mr. Speaker, we have not been compelled more elsewhere to learn a second language; we wanted to, and we are proud today to have learned the other Canadian official language, the English language. We are happy to learn it, and I do not see why teaching French should be denied in the other provinces.

On the other hand, Premier Robarts of Ontario is now taking steps so that French might be taught in the first year.

In Manitoba, the same thing is coming; in New Brunswick, I believe Premier Robichaud is thinking of this possibility.

In the western provinces, they are possibly so far removed from the problems, we know here in Ottawa that it is somewhat more difficult to have these views recognized but I think that, objectively, at the recent Toronto conference, while the federal government was standing aside, the premiers had the opportunity to express their inner thoughts.

• (6:00 p.m.)

I believe that the present premier of the province of Quebec (Mr. Johnson), has thrown light on the problem and has convinced most of the premiers of the urgency of considering this basic question of the teaching of French in their own province, where he said that in Quebec this year, 75,000 young French Canadians will arrive on the labour market and will want to earn their living in their own language, just as English-speaking people also like to earn their livelihood in their own language. These rights should be equal throughout Canada.

Mr. Speaker, the right hon. Prime Minister stated further—and that is true:

> Since the commission was established, the federal government has taken a number of important steps—

We see now these steps.

> —some of which have a bearing on the recommandations in this particular report. For some time, for instance, policies have been in operation to promote bilingualism in the public service of Canada.

In fact, English-speaking officials are now learning French and French-speaking officials are learning English.

If a law or rule passed by the government provides for a 7 per cent bonus to be given to Canadian civil servants who are bilingual, we insist that this law or this attitude concerning bilingualism in the public service be extended to the employees of the House of Commons who, I believe, are also government employees and civil servants. Those who work in the two languages should receive this 7 per cent bonus.

I will continue now to quote the right hon. Prime Minister:

> The federal government has also initiated, in co-operation with the governments of Ontario and Quebec, a study of the necessary steps which should be taken co-operatively among the three governments and in consultation with the municipalities concerned to develop a truly national capital area extending on both sides of the Ottawa river.

While the Prime Minister was being questioned on television the other night, he said that the establishment of a national capital or of a federal district would be a pilot project for the whole of Canada, showing both west and east that it is possible in an area, in a province and in the country—even though an English Canadian cannot be turned into a French Canadian or a French Canadian into an English Canadian—to make two good Canadians out of these two elements or with the two official languages.

Mr. Speaker, this is not putting aside those who speak a language other than French and English, specifically the Ukrainians, the Poles, the Italians, the Germans, who are in Canada in large numbers, these people are considered Canadians just as we are. We consider them as true and good Canadians and they have the advantage of speaking one or the other of the two official languages. They also have the advantage of keeping their own culture, whether it is German, Italian, French, Yugoslavian, it is immaterial. "Diversity in unity." That is what the Prime Minister said a while ago and that is what the Ralliement créditiste endorses unreservedly for the whole of Canada.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we have listened with interest to the statement made by the Prime Minister (Mr. Pearson) this afternoon on the tabling of the first report of the royal commission on bilingualism and biculturalism.

At the time the commission was appointed many questions were asked. For instance, many Canadians wondered whether the appointment of such a commission would contribute to unity and harmony in Canada or whether it would be an additional divisive factor. Others wondered whether there would be an impartial inquiry into the questions within the commission's terms of reference or whether it had been appointed to do a selling job on a course to which the government was

already committed. In addition, the question was asked whether there was any real justification for the expenditure of the vast sums of public money which, even in the very earliest stages, it was evident would be required. Another question raised at the time of the appointment of the commission was whether any consideration would be given to the one third of the population of Canada who are neither English nor French speaking.

I suggest these are the questions that will be uppermost in the minds of Canadians in general when they have the opportunity to consider the report that has just been tabled. Of course it is impossible to grasp the full significance of the report without a very careful analysis of it. Indications are that its recommendations will be very far reaching, but on other occasions we will have opportunities to deal with them in some detail.

I agree with the suggestion that it will be necessary for us to receive all the reports of the commission before we are able to understand in a really broad sense the objectives which the commission has in mind. I trust that the remaining reports will not be too long delayed.

The implementation of many of the recommendations will be dependent not so much on constitutional change but on the co-operation of the provinces concerned. The Prime Minister has indicated that there are a number of recommendations, I believe six, which come almost entirely within provincial jurisdiction and others come under shared jurisdiction. I suggest that any attempt to infringe on provincial prerogatives in this connection or to exercise undue pressure or coercion could have very serious and unfortunate results. May I also suggest that any changes in the linguistic or cultural nature of Canada which may result from the implementation of any or all of these recommendations must not be used to promote undesirable changes in our political and constitutional structure.

I am sure the report will be studied very carefully in every part of Canada. We trust that our country will be able to move forward unitedly to achieve the destiny which is desirable and possible for us.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

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 the time of adjournment tonight are as follows: The hon. member for Sherbrooke (Mr. Allard), Immigration—inquiry on the schedule of arrivals of immigrants; the hon. member for Vancouver-Kingsway (Mrs. MacInnis), The Prime Minister—statement of Minister of Transport reflecting government policy with respect to Viet Nam; the hon. member for Rosthern (Mr. Nasserden), Old Age Security—centennial bonus—senior citizens.

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

CABRI PIPE LINES LTD.

The house in committee on Bill No. S-16, to incorporate Cabri Pipe Lines Ltd.—Mr. Jorgenson—Mr. Rinfret in the chair.

On clause 1—*Incorporation.*

The Deputy Chairman: Shall clause 1 carry?

Mr. Peters: Mr. Chairman, I am interested in the number of pipe line bills that we have been getting, particularly in the wording detailing their purposes. I think it is safe to say that we are unduly cautious about passing pipe line bills for the simple reason that the companies involved are never clear as to what they want and what they are going to do. This is a bill that falls into that category.

I do not know whether it is wise for us to have a number of small international or interprovincial companies constructing pipe lines over short distances such as in the present case. The length of the pipe line is to be 20 miles, but it will cross an interprovincial boundary. From reading the questions asked during the committee proceedings on this bill I understand that incorporation of this pipe line company could have taken place in several other ways. The pipe line is to run from a particular well to a delivery point in the Lloydminster area where I assume the product it carries will be used. I also assume that initially the product will be gas which will be used in the immediate area. If this were so, there would certainly be no opposition to the incorporation of this company. It would be a supplier moving its product to a restricted market in a given area. But that is not what the bill seeks.

• (6:10 p.m.)

I have read the remarks of the sponsor. I have read the remarks made by the parliamentary agent and by the counsel for this

corporation. This is not what they say the bill is for. I should like to quote some of the evidence which was given before the committee on transport and communications on November 28, 1967. This evidence is not necessarily the same as the evidence given before the committee of the other place in respect of this company. The hon. member for Notre-Dame-de-Grâce said:

Sir, you said that you were asking for more powers—

More powers than were outlined in the simple explanation originally given.

—because it would be an interprovincial pipe line. I notice in clause 6 that you are also asking for powers for international pipe lines.

This was the answer:

Mr. Cressey: Yes; the international feature has been included because it is very difficult to predict where the markets of the future will be and consequently it has been a standard custom in the case of pipe line companies to loop them both interprovincially and/or internationally.

If this is really what this company wants to do, it should have said so in the first place. It is quite true that it may have a number of wells and may expand, but it is my contention that if it wants to do that it should be willing to come back and obtain an amendment. The company told the committee that what is involved is a simple pipe line 20 miles in length. I suppose the situation is like that when a person is asking for an increase in salary. He asks for ten times as much as he expects to get. In this case the company is asking for an international charter to transport gas 20 miles. I should like to read further from the minutes of proceedings and evidence of the committee:

Mr. Allmand: Did you also ask for permission to transport gas as liquids and solids?

Mr. Cressey: Right.

Mr. Allmand: And also for processing, refining, treating, etc., which is more than just a pipe line.

Mr. Cressey: That is right.

Mr. Allmand: You want all-embracing powers for this company to transport liquids, solids and gases; to process; and to ship to the United States; and so forth.

Mr. Cressey: Yes, that is correct.

Mr. Allmand: Do you know if the company has any plans to expand in this way?

Mr. Cressey: We certainly would like to, but we have no fixed plan in this regard at this time. However, to operate a pipe line system, it is necessary to have certain additional capacities; for example, if a producing well gets a high gas-oil ratio, or vice versa you automatically move from the transportation of a gas to the transportation of a liquid.

I think this raises a problem. I know there are many lawyers in this house. They may think that the other place has hit on the best format for bringing these companies into existence. They may be right, but I believe it is an imposition on hon. members when someone comes before parliament asking for this type of incorporation and then says that what is involved is a 20 mile four inch gas line.

There are not very many communities in Ontario which do not have a line with a capacity four or five times that size. This is a four inch gas pipe line and yet they are asking for authority for a facility to handle a refinery or an international transportation line. The potential they are asking for is similar to the capitalization. They are asking for $4 million. I do not think it will be necessary to raise $4 million.

They really have not told us who they are. The lawyer told us that he is a Canadian who acts for a number of gas companies. I suppose a lawyer could also say that he is connected with a dozen murderers, but this does not necessarily connect him with the crimes. This is the only person who appeared to speak for the company. A number of companies were mentioned. It was stated that the president of Cabri is Mr. Stanley Milner of Edmonton, who is president of Chieftain Development Company Limited, and that he is very active in the west and prominent in other related companies including Blue Crown Petroleums Limited and Lloydminster Gas Company Limited.

Although it was not mentioned, I presume that one of these companies is doing the drilling and has the well. They indicate that one company will be used for the purpose of supplying the gas. I presume that this will be Lloydminster Gas Company Limited. It seems to me that we are getting all cluttered up with these little companies. Here we have a person who incorporates a company to do a certain type of business such as delivering gas. He sets up at least two companies and then a third. One will do the drilling, another will handle the distribution and the third, an international and interprovincial company with federal incorporation, will handle the transportation. He asks for a capitalization of $4 million. While this company probably is a bona fide company and is probably making a bona fide request, I believe that if members will look at the evidence that was given they will find that the company is asking for things which it probably does not want. I suggest that if this is the situation it should not have this type of incorporation.

I agree that in the past we have caused many of these companies problems and they may think that if they can get the kitchen sink they will be better off, because if they failed to ask for it they would have to come back again. After reading the answers of this lawyer I would suggest that he did not tell us all he knows. It was only after members of the committee questioned him that he provided the interesting information on these matters.

• (6:20 p.m.)

It may be that the company is asking for authority to construct 20 miles of four inch pipeline to look after an expansion in business in the future, but this does not mean the company will go into the business of refining. I do not know how many refineries there are in western Canada but I understand the number is limited because of cost. Why should a small gas company with one well spend half a billion dollars to build a refinery and associated facilities in order to make this an economically feasible development? I do not think this company needs one red cent to incorporate. I imagine Mr. Milner will just dig into another company pocket to provide the money for this operation.

I do not understand why these people seeking federal incorporation do not go for the whole shooting match and then do everything under the one company name. During the committee meetings one hon. member asked several questions of Mr. Cressey. He said:

> First of all, Mr. Cressey, I am rather intrigued by the name. Why did you call it Cabri Pipe Lines? The only Cabri I know is quite a long distance away from Lloydminster, and it happens to be in my constituency.

I do not know where the hon. member's constituency is, but Mr. Cressey in answer said:

> Mr. McKimm pointed out that he was not sure about my qualifications in other fields, but I have been involved in pipe line business for some years, and I was engaged in the pipe line facilities constructed through Cabri. There is always the problem of seizing upon a name that has not been used in some other context by some other company in Canada, and I thought I was fairly safe in picking the very small community of Cabri.

I am in agreement with that statement. Every year we pass five or six pipe line bills which involve names conflicting with the names of other companies. In this case the company adopted the name of a very small community. It is interesting to note that the solicitor for the company has been connected with other pipe lines for some period of time.

[Mr. Peters.]

He was apparently connected with the construction of a line going through that area. It is probably safe to say that Mr. Cressey has not informed the committee of all his connections with pipe line companies.

Why should parliament be asked to incorporate a company such as Bell Telephone in order to enable it to put a satellite on the moon when it is interested really in putting a satellite on Mars? Cabri does not really want authority to operate an international pipe line company but it has been the practice of lawyers to draft these bills in this manner, asking for everything, because the cost is exactly the same and the company receives international export rights. They might just as well ask for authority to build all the other facilities involved such as townsites, airports, housing, stores, roads and communication lines.

I have no doubt that this is a bona fide company, particularly in view of its limited size. However, when the company asks for something it does not need or want, then I think for the sake of good housekeeping if for no other reason we should consider their requests very carefully to determine how much is necessary. These companies continue to come to parliament for incorporation. I suggest that within a year or two they will stop coming here because they will have learned by then that we do not intend to accede to their requests. Maybe they will come then with properly drafted bills. I am not sure this company will come back again for incorporation, but if it does it will have to come with a bill that has been cleaned up, containing requests for authorization to construct the things it needs. It seems foolish for these people to come before a committee and say they do not actually intend to do that for which they seek authorization. This is like someone suggesting he hopes to swim the Atlantic ocean but knows he will never try. These requests of the company should be relevant to the services they intend to provide. They should not try to fool people by asking for authorization to carry on certain services they do not intend to provide.

For these reasons I suggest to Mr. Cressey and his parliamentary agent that if they intend to serve in a responsible way they will make known their exact plans after incorporation. They should stop misleading people by cluttering the records. This practice will not be allowed to continue indefinitely and perhaps this word to the wise will be sufficient.

Mr. Barnett: Mr. Chairman, I listened with a great deal of interest to the remarks of the hon. member for Timiskaming regarding the proposal to incorporate Cabri Pipe Lines Limited. As I did so I recalled my experience not long after I became a member of this house. I was a member of the old railways, canals and telegraph lines committee which had a bill before it seeking authorization to permit one of our national railway systems to construct a small branch line. This line did not involve a distance of more than 20 miles. I was puzzled that the company had to come before parliament to obtain a special act in order to construct a short spur line from an existing line to another point.

The development officers of the railway company spelled out in great detail the economics involved in the construction of that spur line, the cost of construction and the nature of the freight they intended to carry. I became even more puzzled and began to look into the matter. I then realized that parliament had created a situation which forced these companies to come before parliament with bills of this kind. I discovered that this practice arose out of the history of the development of transportation facilities. It stemmed from the fact that from past experience we learned there have been unregulated and unwise expansions of railway lines to the extent that at one point in our history this development came near to bankrupting the nation.

• (6:30 p.m.)

Then I began to realize why a previous parliament had placed this kind of restriction upon the national railway companies. I mention this to emphasize why in my opinion it is absurd that in this day and age parliament should be satisfied to allow a company concerned with another mode of transportation to come before it with this vague, general, ombinus sort of bill. I refer to companies with backgrounds such as were pointed out by the hon. member for Timiskaming. When this bill is boiled down, it is simply concerned with a company applying to construct approximately 20 miles of 4-inch pipe line.

The question I ask the committee is, why do we allow this absurd situation to continue, wherein we are willing to allow companies to come before us with this sort of bill, although in the past parliament saw fit to place restrictions upon the freedom and ability of railway companies which developed national transportation systems? A previous parliament required such railway companies to come before parliament with specific proposals to construct a line from point A to point B. As the hon. member for Timiskaming said, those of us from this quarter of the house who are speaking on this bill, as we have spoken on others, are not in any way objecting to the fact that a pipe line should be constructed from point A to point B in order to carry a certain petroleum product. We object to the fact that on one hand we require a railway company to come before parliament with a specific proposal in a bill to construct a specific piece of line, and on the other we allow certain interests to come before us with a vague, generalized proposition which, as the hon. member for Timiskaming said, might allow them to build a pipe line to the moon.

I have read the evidence given to the committee and recognize the desire to construct this piece of pipe line in a location which crosses provincial boundaries, and therefore federal action is necessary. We have no quarrel with the fact that because of this particular geographic circumstance parliament should be asked to deal with it. What we are concerned about, as the hon. member for Timiskaming said, is the process of companies being incorporated ad nauseam, with blanket powers in their charters of incorporation, to build national and international pipe lines. We are concerned that this practice be not continued because in my view it is making a mockery of parliament. I think the point of the hon. member for Timiskaming was well taken, that the legal fraternity which had been advising these companies should smarten up and suggest to them it is about time they got down to brass tacks.

Some fairly searching questions were asked in the committee. This I welcome. I noticed that the hon. member for Kootenay East raised the question as to whether this pipe line would be a common carrier. The answer given by the spokesman for the applicant was that it would be. That may or may not be necessary and desirable in this particular circumstance. If it is a matter of carrying the products of more than one company to be distributed to more than one consumer, I suppose it is necessary and desirable that it should be a common carrier. But on the face of it, it seems rather strange that a picayune proposal of this kind should require that the company set itself up as a common carrier.

I find this feature of the bill rather puzzling, perhaps because in that part of the

country in which I live various concerns involved in the production of some of our products build transportation facilities. It is true that these are not pipe lines, but hundreds and indeed thousands of miles of roads are built for the purpose of transporting their commodities. As long as those roads are being used exclusively for the transportation of the product of one company, they remain in effect, private roads.

If one examines this process, and were able to look into all the ramifications of the different companies in which the people applying in this instance seem to be involved, perhaps the real necessity for the proposed pipe line being constructed in this form arises from the fact that with various corporate structures it will be possible for the profit picture of the shareholders to be improved somewhat, artificially, and at the same time perhaps to be concealed. There is an old saying about dividing and ruling with which we are all familiar.

It seems that in this process which we are allowing to continue, namely the development of facilities for transporting commodities by pipe line, we are creating a corporate maze in which the Canadian people are becoming increasingly snared and which is becoming so complicated that any ordinary citizen, and citizens generally and collectively, may find a great deal of difficulty finding their way out.

I know it is always said in these committee hearings that the bill is in the ordinary form. The point I am trying to make is that as far as I am concerned this bill is in an extraordinarily unnecessary form. This is the point that perhaps should be primarily emphasized in relation to it. It may be that the form of this bill is even more extraordinary and unnecessary than has been the case with bills of a similar nature with which we have been called upon to deal.

Like the hon. member for Timiskaming, I found rather intriguing the little bit of evidence that had to do with how this name was picked. I was interested to learn from the hon. member for Kindersley, who apparently is more familiar with the community of Cabri than most members of the house, that it is a very nice community. I am not at all sure, however, that the people of this community should take it as a compliment that this pipe company should, in a sense, have pre-empted their name, just because so many of these companies are being formed that it is becoming increasingly difficult to pick suitable names.

[Mr. Barnett.]

• (6:40 p.m.)

In my view, granting these broad powers to a multiplicity of concerns can only lead ultimately to confusion and the strangulation of any attempt to produce an effective system of transportation of the commodities by pipe line across this country. I notice for example that this company is seeking the right to transport solids. Well, there is another bill somewhere in the parliamentary hopper designed to enable a company to move into the solids pipe line field, which is likely to become an increasingly important method of transportation. Even though these matters are subject to the jurisdiction of the Canadian Transport Commission or the National Energy Board, if we continue to grant such powers as these to all who apply for them we shall be loading down those public bodies with an increasingly complicated task when they endeavour, as they will have to do one day in the future, to rationalize the hodgepodge which we in parliament have created.

These are some of the considerations which should be of concern to the committee in relation to these applications. The fact that the application before us involves such a relatively minor construction project makes it all the more necessary to emphasize the ridiculousness of the situation while we are dealing with this particular bill. If the committee passes the clause now under consideration, I believe it should give careful study to some of the following clauses. Hon. members might even consider whether we ought not to eliminate some of the more ridiculous aspects of the bill as it now stands. Having done so, we might be in a better position to judge whether the bill as a whole should receive approval.

Mr. Howard: The general subject opened up by my hon. friend from Timiskaming and dealt with by my hon. friend from Comox-Alberni is an intriguing one. The scope of the powers sought by this bill certainly does not correspond with the reality of the situation.

With respect, and without wishing to misinterpret in any way what the hon. member for Provencher said on second reading, this disparity was certainly not in the mind of that hon. member, either. For this reason I believe it is an extremely valid point to say that many of these unnecessary and unwanted powers should at an appropriate stage, perhaps when we get to clause 6, be removed from the bill in order that the company may obtain simply the authority to do what it desires to do immediately with respect to

transporting gas from one province to another, a distance of 20 miles or so.

When I say it is my impression that the hon. member for Provencher undoubtedly has had the same sort of understanding as did the officers of the company, namely that the activities contemplated would be somewhat limited, I am bearing in mind the remarks he made on November 9 when the bill was given second reading. Those observations, I believe, substantiate my impression.

Listening to the words of the hon. member at that time led me to believe that this company was seeking incorporation in order to perform only the minor function or service described. As a consequence I pursued the matter no further; I did not even look into the bill in any detail. It was not until my hon. friend from Timiskaming dealt with the subject that I began to realize the enormity of the proposition now before us.

Perhaps I can quote from page 4102 of *Hansard* in connection with what the hon. member had to say on second reading. I have no desire to quote him out of context or to misrepresent him; only to quote those parts which gave me and other members the impression that the bill was a simple one, seeking authority to build a pipe line for a distance of some 20 miles. Subsequent discussions in the standing committee showed, of course, that this is really not the case. The hon. member for Provencher said:

> What the bill proposes is a storage facility in connection with a gas distribution company. It will be located across the Alberta-Saskatchewan border. The distribution company is seeking permission to build a pipe line connecting producing wells with a dry hole located some distance from the Alberta border in Saskatchewan where gas will be stored.

This is a simple, uncomplicated declaration of what the company proposes to do. There is no reference to running a television network or operating aircraft or international pipe lines or interprovincial pipe lines. It is a simple business of transporting gas from one province to another. The hon. member went on to point out that the demand for natural gas is higher in the winter than in the summer, but that natural gas can be recovered at a much greater rate in the summer when demand is low. The object, then, is to produce a balanced supply of gas for the area receiving it.

The hon. member said the sponsors of the bill were all Canadians, and then he went on to state this:

> The passage of the bill will allow this company to put its operations on a more economical and efficient basis.

The operations referred to are presumably those connected with the distribution of gas.

> A federal incorporation is necessary because the construction of this line will be interprovincial, running between the provinces of Alberta and Saskatchewan.

Almost as an afterthought, or as an aside, the hon. member went on to say:

> The powers requested are necessary in the event that further lines are required. If this is the case, the company must again apply to the National Energy Board—

• (6:50 p.m.)

The point is that the hon. member's explanation of the purpose of the bill was that it had to do with the building of a pipe line to transport natural gas from one province to another, and store it so that the operation of the company would be on a more economical basis. In this way, the natural gas would be available at an even level during both summer and winter. The reference to the powers requested at that juncture was to the effect they are requested in the event further lines were required. This was thrown in as an incidental part of the commentary by the hon. member for Provencher.

As I said at the outset, I do not mean to misrepresent what he said, but this was the impression I got from listening to his remarks on second reading, and that impression is substantiated from reading those remarks into the record. The impression was that the sole purpose of the company was to obtain this authority to build a pipe line across an international boundary, and that all the other matters really were not too important. The international aspect, the possibility of the company operating aircraft, operating aerodromes and microwave systems, were rather remote.

As the hon. member for Timiskaming said to me a minute ago in relation to this microwave system, the distance is only 20 miles and if a strong wind were blowing in the right direction you could holler to one another. You would not need any microwave system installed for that purpose. However, these are some of the powers sought by this particular company.

I have no great desire to delay unnecessarily the passage of the bill. As has been

explained to me privately, there is some urgency to give the bill passage so the company can carry out its activities and proceed to make application to the National Energy Board. However, I do believe there is something here that is of greater consequence and which should put us in the position of having a further look at the bill to ascertain whether or not, in the interim, the officers of the company might not be able to accept some alteration in the powers sought. I am referring to the powers which cover such things as movement across international borders, as well as the transportation of solids, which will be dealt with by one of my colleagues. Then, there is the matter of giving a blanket authority to operate a microwave system, television communication, radio communication and everything of a like nature, without any confinement of that power.

Usually when such power is sought in a bill like this it is limited to the purpose of the undertaking. These are the words normally used to make sure that there is no invasion into the radio, television or communications media. There is no such confinement of the power here, so I think this must be a matter to be considered by the company. With respect, I say I hope the hon. member for Provencher will not mind postponing the proceedings on this bill until another day. It could easily be dealt with by consent. There is seldom any disagreement in the house about giving consent to matters which are urgent, especially when there is a reasonable approach made.

I know my friend, the hon. member for Nanaimo-Cowichan-The Islands, intends to deal with the transportation of solids because he is intensely interested in this aspect of pipe line problems. He desires to say a few words about that, so that there will be a full disclosure on the record of our views about the vagueness and generality of the powers sought, as well as the scope of those powers. Then the next time this bill is dealt with there will be an opportunity for the company to read the views that have been expressed, and come to some conclusion as to which of those views they intend to accept.

Mr. Cameron (Nanaimo-Cowichan-The Islands): My colleague has not left me many minutes in which to express my views. One thing which did occur to me when I read the bill, Mr. Chairman, was that it really is like insurance policies, because we are told the important part is in the fine print. That fine print carries a vey different connotation than the large print. Reading the evidence before the committee on transport, one is struck by the emphasis the witnesses from the company placed on the modesty of their intentions. They were just going to build this pipe line for 18 or 20 miles. It would cross the Alberta-Saskatchewan boundary and enable them to store gas until the peak season for the consumption of gas arrives.

When we look at the bill, we find it has an extraordinary number of other powers that it seeks from parliament. One in which I am particularly interested, and have been for some time in connection with these pipe line bills, is the proposal to add the authority to transport solids. As I have said on some other occasions on other bills, I think parliament has to take a very long look at this question of the transportation of solids by pipe line and decide whether or not as a nation we are again going to run the risk of involving ourselves in the tragic mess that emerged from the building of the railroads in this country.

We were left with a conglomeration of railroads, one final echo of which we heard earlier today in connection with the financing of the Canadian National. The Canadian National, of course, was formed by the coupling together of a number of uneconomic lines. Incidentally the taxpayers were saddled with the burden of paying the bond interest on these railroads. I feel very strongly that if we allow private companies to enter this new, emerging field of transport, one day we may well wind up again with a conglomeration of inefficient, uneconomic pipe lines. Parliament should therefore look at this matter seriously now before we move into that field at all, and establish a public policy with regard to the development of this modern means of transport.

May I call it seven o'clock, sir.

Progress reported.

Mr. Howard: Before we proceed any further, sir, could I make a request for the house to consider making an order that Bill S-16 retain its position on the order paper. I do not believe there is any desire for it to go to the bottom of the list. I make that request.

The Acting Speaker (Mr. Rinfret): Is it agreed, as requested by the hon. member, that Bill S-16 retain its place on the order paper?

Some hon. Members: Agreed.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed consideration in committee of Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for a period from the 1st day of January, 1967 to the 30th day of June, 1968 and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company—Mr. Chrétien (for the Minister of Finance)—Mr. Rinfret in the chair.

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

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p. m.

The Chairman: Order. House again in committee of the whole on Bill No. C-151, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways.

On clause 1—*Short title.*

Mr. Fawcett: Mr. Chairman, it is my intention to be as brief as possible in making my concluding remarks. I should like to assure you that I appreciate your leniency in letting me stray the odd time, and for hauling me back from the brink. I should like to point out that there is relevancy between what I have been saying in connection with lay-offs and certain provisions in the bill. I refer in particular to expenditure for track maintenance and that sort of thing. It would be interesting to know whether these estimated expenditures were calculated before or after the contemplated lay-off of a considerable number of men.

I assume, Mr. Chairman, that the railways are going to say that these lay-offs are the result of economic policy, but I think there is some inconsistency in this regard. If you will permit me to do so, Mr. Chairman, I should like to stray a little once more and to point out one inconsistency in particular. This inconsistency concerns another departmental lay-off before the end of the year of about 35 members of the protective staff of the Canadian National Railways. The full complement of the staff is approximately 700, and 500 members of the staff belong to the C.N.R. police association.

In recent days the members of this association met with the company in an attempt to negotiate wages and conditions, but I understand they ran into a blind alley in these negotiations. The only explanation they could get from the company officials was that any increase in pay would mean additional lay-offs. I understand that these employees are working a 50 hour week and that no overtime pay is involved because of the fact that the company requested and was granted a deferment of the 40 hour work week provision of the Canada Labour Code. I think that this is a glaring example of outdated, reactionary labour policy.

While this has been taking place, Mr. Chairman, there has been on the other hand, certainly up to within a few days ago, a general proliferation of supervisory personnel. When I questioned this I was told that the reason for this action was that the railway wanted to put their supervisory staff on a 40 hour week.

As far as I am concerned, Mr. Chairman, this is the ultimate in inconsistency. On the one hand the company is granted a deferment of the 40 hour week and lays off protective staff, expecting the remaining members of the staff to work more than a 40 hour week; on the other hand the company implements the 40 hour week provision for supervisory staff. I do not argue about the principle of putting supervisory staff on a 40 hour week, but I do think the situation to which I have referred is a gross inconsistency.

Perhaps, Mr. Chairman, I sound quite critical of the Canadian National Railways, but I should like to make one thing clear at this point. I more or less grew up with the Canadian National Railways, having been hired at a time when the railway was run very inefficiently. It had inadequate facilities, poor track and actually was a third rate operation. I do not agree with the hon. member for Vegreville, however, when he says that today there is extremely poor management on Canadian National Railways, because I have seen its transition from a third rate railway to what I think is one of the most modern railways on the North American continent. I hope it is not now slipping back again to that third rate position.

In conclusion, Mr. Chairman,—and I said I would be brief—I think that if we in the house are expected to make available the

necessary finances to enable the C.N.R. to remain in business, and if we as taxpayers are expected to pick up the tab when revenue does not meet expenditure, then I think it necessarily follows that we should be in a better position to scrutinize carefully the expenditures that are made in order that we can be assured that the funds provided are used to the best advantage of all concerned, and also be assured that the lay-offs of a great number of employees, some with many years of service, are entirely justifiable.

Mr. Bell (Saint John-Albert): Mr. Chairman, before the bill carries I wonder whether the minister would take the time to tell us whether there will be new legislation for Air Canada, in view of the statement the other night during the budget speech of the Minister of Finance that public financing is going to be necessary. It could be that the minister wants to leave this question to the Minister of Finance, but I am wondering whether he does have any information about new plans for Air Canada in this respect.

Mr. Hellyer: Mr. Chairman, it will depend on what is the ultimate decision, and the form of financing that might be required in the market. No decision has yet been taken by the government; the matter is still under study. If, of course, additional equity capital were required from government sources, it might require some alteration in the capital structure of the company, in which case legislation would be necessary.

Clause agreed to.

Title agreed to.

Bill reported and read the third time and passed.

• (8:10 p.m.)

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

On the order:

Second reading of Bill No. C-187, an act respecting divorce—The Minister of Justice.

Mr. MacEachen: Mr. Speaker, the Minister of Justice is on his way to the chamber. Would Your Honour mind delaying matters for a moment or two until the minister arrives.

[*Translation*]

Mr. Laprise: Mr. Speaker, I rise on a point of order.

Hon. members, we want to proceed now with Bill No. C-187, respecting divorce. I should like to point out to the house that the French version of the bill, has not yet been distributed. As a matter of fact I have just emptied my mail box and the bill was not in it. Consequently I object to consideration of the bill at this time.

Mr. Speaker, I have just been given a French copy of the bill.

Now, I raise another objection. The bill is delivered to us at the very moment we are asked to consider it, when we have not even had time to look at it. Yet, it has 27 clauses.

I see on the order paper, bills which have been there for several weeks, several months, even because they have been distributed to the general public to feel the general response. Yesterday a resolution concerning divorce was introduced and it was practically carried by the house, without discussion. In fact, the Conservative party made no representations and, today, we are presented with the bill, when the public has not yet had the time to look at its clauses, and to form its own mind.

I wonder, Mr. Speaker, what is the hurry in having this bill passed when the French version was given to us just a moment ago.

For these reasons, Mr. Speaker, I object to the consideration of this bill tonight.

[*English*]

Mr. MacEachen: On the point of order, Mr. Speaker; there is no desire on the part of the government to rush the bill. Last evening the bill was made public in both languages. As a result of discussions this morning it was agreed that we should call this bill after passage of the C.N.R. bill. That was the agreement as a result of the meeting of house leaders. There was no disposition on the part of the government or anybody else to rush the bill through. We are calling for second reading, which is the debate on principle, and then we shall go into committee. There will be an opportunity for hon. members to consider all aspects of the bill before third reading.

[*Translation*]

Mr. Laprise: To a certain extent, Mr. Speaker, I am ready to accept the point made by the minister, but it will be too late to object when we will have adopted the sections of the bill, more or less as presented or even at the third reading stage.

Moreover, I think that we should at least give the public time to form an opinion concerning the provisions of the Bill.

The mail delivered tonight raises a similar point. It concerns the reports of the committee on health and welfare. I received volume No. 10 of the English version, but I just have volume No. 3 in French. It is fine to make eloquent speeches on bilingualism in Canada, but positive steps should be taken as soon as possible.

Mr. Trudeau: Mr. Speaker, I rise on a point of order.

I must say that the resolution was passed only last night; it is clear that until then, no member could have had a copy of the bill.

The resolution was introduced last evening in both languages. I do not know if the hon. member took a copy, but French and English copies of the bill were ready. I—

Mr. Laprise: Mr. Speaker, on a point of order, I got an English copy of the bill this morning—

Mr. Trudeau: I have the floor—

Mr. Laprise: —only, and a French copy has just been handed to me by a page.

[*English*]

Mr. Deputy Speaker: Order, please. The Minister of Justice has the floor.

[*Translation*]

Mr. Trudeau: In fact, what I was just saying, Mr. Speaker, is that we do not in any way wish to rush the study of this bill. I think it is obvious enough that if we start second reading of the bill tonight, there is very little chance of its being passed this evening.

For my part, I am the first to agree with the representative of the Ralliement Créditiste, for I saw to it personally today that a copy of the bill was sent to all the provincial attorneys general, because we intend, as I said last night, to ask public opinion, including the provincial governments, to let us know how they feel about this bill. That is why the bill stipulates a lapse of three months before its application.

So I should like to make it perfectly clear that I am not trying to rush things. I think what is involved is to get the bill under consideration and if I also understand the intentions of the house leader, tomorrow we will deal with other matters and there will inevitably be a few days delay before we can pass the bill because tomorrow we will take up the budget resolutions.

Mr. Grégoire: Mr. Speaker, on the same point of order, I must say that the bill was distributed in English this morning I think, and the French only tonight.

Now, I should like to point out that the last report we received today, the report of the commission on bilingualism and biculturalism, recommends first of all that English and French be declared the official languages of the Parliament of Canada. If both languages are to be official, those who speak one language must receive documents and bills at the same time as those who speak the other language; otherwise, some will enjoy advantages which are denied to the others.

Therefore, I feel that the remarks of the hon. member for Chapleau (Mr. Laprise) are quite reasonable. We have just now received the French version of the bill. It is obvious that we have not had the time to read it and to come to a decision with respect to the principle of the bill.

I think the hon. member for Chapleau is perfectly right and that we should postpone consideration of this bill to give those who have not received the French copy earlier the time to read it. Otherwise, how can they be expected to decide on the principle of the bill; of course they may be told that as they had received an English copy all they had to do was to read the English text.

So I think it would be advisable to give the French-speaking members the time to read the bill in French; otherwise it is useless to ask us to decide on the principle of the bill and I support the statement of the hon. member for Chapleau on this matter.

[*English*]

Mr. Knowles: Mr. Speaker, I happen to be one of the house leaders who agreed at noon that we should go ahead with this legislation at this point. I confess that at that time, I did not know the French copies of the bill were not generally available. Now that French copies are in possession of hon. members, technically speaking the rules have been met.

• (8:20 p.m.)

I wonder, however, if we could not reach some accommodation in the matter. I offer this suggestion, that the Minister of Justice might make his speech on second reading, and then if there is anyone else in any of the parties who wishes to speak he could be prepared to do so, on the understanding that the government would be willing to have the debate adjourned, and not conclude second

reading this evening. It is perfectly true, as the house leader says, that we did agree to this at a noon meeting yesterday, but apparently there was a factor of which we were not aware.

Mr. Starr: On this point of order, Mr. Speaker, may I say it is unfortunate that the government once again has not prepared itself in order to expedite the business of the house. However, in view of the fact that there are a great many members who wish to participate in this debate, and that tomorrow we shall go on to discuss the budget, and continue the budget discussion for the next few days, I think that will leave ample time for the hon. member for Lapointe to study the French version of the bill, permitting him to withhold his remarks until a later date. Tonight we can give to those hon. members who are prepared to speak on the bill the opportunity to do so.

[*Translation*]

Mr. Trudeau: Mr. Speaker, as to the point of order that has been raised, I should say that I, for one, was rather taken aback by this procedure today and the need to proceed with second reading. In fact, hon. members will see it for themselves later on, when they hear my speech; they will realize that I was somewhat taken aback by this chronological order of events.

However, I should like to tell the hon. members that the fault does not lie with this side of the house. I remember quite well that last night, the house leader told us we would proceed today with study of the act on the publication of statutes.

To my knowledge, that was on the orders of the day. I do not think it was our party which requested that consideration of this matter be passed over in favour of the divorce bill. That may explain the fact that other hon. members, as well as I, were surprised by this turn of events, but it was done in an effort at concilliation, and at the request of other house leaders.

[*English*]

Mr. Starr: Further to the point of order the Minister of Justice has brought out in his remarks, Mr. Speaker, I wish to say that it was we who suggested how best we could expedite the business of the house and, as a consequence of our suggestions, two items on the order paper have been disposed of. Had we not done so there would have been some doubt as to whether any matters on the order paper would have been disposed of.

Mr. MacEachen: Mr. Speaker, the procedure is fully regular. The bills are available in both languages. This is the obligation which is placed on a minister introducing a bill or moving second reading. I repeat that the bills are available in both languages. The procedure is fully regular, and to suggest it is irregular is quite erroneous. We intend to proceed with the order of business agreed upon, namely the second reading of the divorce bill; and as to the discussion and procedure tonight, we can determine later this evening whether it is necessary to give a further opportunity to members who wish to speak on the bill before we actually carry second reading.

[*Translation*]

Mr. Caouette: Mr. Speaker, the Minister of National Health and Welfare (Mr. MacEachen) just said that the procedure is perfectly in order, while the hon. member for Ontario (Mr. Starr) says that the government is responsible for the situation where we are.

One thing is clear; we did not attend the meeting of the house leaders at noon because we were unable to attend and we were not aware of the agreements arrived at by the various groups. However, one thing is certain, the government is responsible of the present situation.

It may be said that the English and French copies of the bill were distributed to the members. It is a fact that the English bill was put before us this morning while the French was just given to us here, tonight. We just had it a moment ago. Therefore, we did not get a chance to peruse that bill and even if the Minister of Justice (Mr. Trudeau) or the Minister of National Health and Welfare says that we will have plenty of time to study the principle of the bill while others speak, that is not good enough, and that is not in accordance with regular parliamentary procedure, in my opinion.

We should have an opportunity to study the principle of the bill before it is discussed in the house in order to know exactly what it is all about. That is why the hon. member for Chapleau (Mr. Laprise) objects to this bill being discussed until we have had time to study its principle.

This does not mean that it will take six months. But forcing us to start discussing it immediately, even if the hon. member for Ontario is ready to make his speech, I feel that would be permitting something that is not in order. It would be irregular, for example, if all at once, we interrupted consideration of the bill on second reading and immediately went into committee to study its various clauses.

Then, without wanting to interfere with the proper workings of parliament, I sincerely believe that it is only fitting that we should have the time to consider the principle of the bill since it has just been handed to us in French.

[*English*]

Mr. MacEachen: Mr. Speaker, I think the hon. member has misunderstood the proposal I made. I suggested that we would not carry second reading of the bill this evening, but that we would proceed with debate and allow hon. members who are ready to speak to make their speeches. Then at a later stage, if it becomes apparent that hon. members wish to study the bill further, we would adjourn the debate and call another item of government business. In that way we will protect the rights of all hon. members; but in the meantime I think we ought to proceed with the agenda agreed upon for this evening.

Mr. Martin (Timmins): Mr. Speaker, I was quite astonished, and I must say rather disturbed by the suggestion made by the house leader a little earlier, when he said that we had lived up to the letter of the law by placing the bill in both languages in the hands of hon. members at this particular time. I do not think that is good enough, Mr. Speaker. This is a matter about which many hon. members have strong feelings, and I do not think it is good enough on such an occasion just to live up to the letter of the law.

I suggest to hon. members who speak the English language that they should stop for a moment and imagine their position where a bill is distributed in French a day or two days beforehand, and then handed to them in English just at the moment debate upon it is called. I say this is not good enough, and I am astonished that the minister would suggest it is.

Mr. Trudeau: Mr. Speaker, that statement is not good enough for me. I have given the explanation in French, but perhaps the hon. member did not understand it. The present state of affairs does not satisfy me either. We have adopted this procedure in order to be accommodating to the parties in opposition. It was not our fault that the house leader of the Creditists was not present at the house leaders' meeting to put in their word. Hon. members have explained that he could not be present.

This step was taken to accommodate the opposition, and may I say there is no one in this house more sensitive than I am with regard to having bills presented in both languages at the same time. We have put particular care into the drafting of this bill as well as into the translation of it. I may say that I am caught short like some of the other French speaking members, because I had expected that I would be participating in another debate today. We had originally intended to proceed with the bill dealing with the publication of statutes, and it was at the request of the house leaders of other parties that we did not proceed in that way. It was only a matter of hours between the deliveries of the French and English copies of the bill; but the bills are now ready. I repeat that particular care has been given to the simultaneous presentation of these bills, and I will not stand for correction on this point by any hon. member.

• (8:30 p.m.)

[*Translation*]

Mr. Caouette: Mr. Speaker, the minister says that he has no lessons to take from anyone. He adds that it is not his fault if the Créditiste house leader did not attend the luncheon at the noon hour. But could he explain to me why the government house leader who is responsible for all other leaders advised us at 12.30, this afternoon, of the meeting which was to be held at 1 o'clock when all our members had gone to lunch? The Créditistes are therefore not to blame; it is the fault of the government house leader who does not organize himself properly so that people would be invited early enough to be able to attend the meetings of house leaders.

Mr. Trudeau: Mr. Speaker, last night we had decided to proceed with other questions. At the meeting of the council this morning, as usual, the government leader asked whether he could absent himself in order to consult the other party leaders.

Naturally, if there was a change of program between last night and this morning, and if this was done as a favour to the other parties, it is not surprising that we are proceeding with some precipitation.

Mr. Chairman, government of men is unpredictable. I think that none knows this better than the hon. member for Villeneuve.

[*English*]

Mr. Brewin: Mr. Speaker, although I do not wish to put forward, as a reason why we should not proceed with this bill, the suggestion that I or other English speaking members of this house are not prepared to proceed, yet I think it is proper to say, just as the Minister of Justice (Mr. Trudeau) has said that he did not expect to proceed with this matter, that some others of us did not hear that we were to proceed until I think noon today. As the matter is one of transcendent importance in principle, I believe that possibly it would be far better if we did not attempt to proceed to second reading tonight. I should like to have an opportunity to compare the clauses of this bill with the recommendations made by the joint committee of the Senate and House of Commons. This could not be done in a few minutes. I would like to see how the bill as drafted compares with the resolutions which were presented to the joint committee on this matter. I would also like to have a little time in which to think about the principles which are new, which are novel perhaps and which are sweeping matters of social reform, before proceeding with second reading of this bill.

I would not raise any of these matters if an arrangement to the contrary were made by the house leader, but when we hear that our French speaking colleagues did not have a copy of this bill before them until a few minutes ago, if I understood them correctly, then, although I accept what the house leader has said, to the effect that this is regular, I ask whether it is fair for the members of this house to suggest that we proceed under these circumstances.

Mr. Trudeau: Why did you not think of this during the orders of the day?

Mr. MacEachen: As we all know, it is a responsibility of the government to lay down the business for the consideration of the house. Last night I indicated the various possibilities which could constitute the business of the house today. I indicated that I would consult with the house leaders concerning an appropriate order of business. That was done.

It is unfortunate that the representative of the Ralliement Créditiste was not present. I did, however, give the house the information during the orders of the day. I should like to take into account the feelings of hon. members who wish to consider the bill in the French language. In order to do that I am quite prepared, at a later stage this evening, to adjourn the debate on second reading so that members will have an opportunity to consider further the principles which are involved in the bill. Then the bill can be considered some time later next week. I believe that to be a fair proposal. It meets the points of view which have been expressed.

The Minister of Justice is prepared to make an opening statement. Hon. members who are prepared now could then make their statements, and then we can move the adjournment of the debate and revive it later, thus not asking the house tonight to make any decision on second reading. The rights of every hon. member will be fully protected. I think this is a fair proposal. At a certain moment we will move the adjournment of the debate.

[*Translation*]

Mr. Laprise: Mr. Speaker, I do not want to prolong indefinitely this discussion on the procedure of the house. I accept the suggestion of the minister, and I hope that he will profit by this happening.

[*English*]

Mr. Deputy Speaker: Order. I believe the chair has heard sufficient evidence now to make a ruling on the point of order, or at least make a suggestion to the house. I should, of course, quote standing order 74 which reads as follows:

> All bills shall be printed before the second reading in the English and French languages.

As this bill was given first reading last night, and as there was a change in the order of business, I am sure all members of the house will understand the difficulty in which the house now finds itself. If however, there are members who are willing to speak on second reading of the bill now, they could do so and then an opportunity could be given to the other members who would like time to study the bill further. May I suggest to the house that we proceed now with the second reading, on the understanding that the procedure is always open, to any member of this house who wishes to do so, to adjourn the debate.

If the hon. member for Chapleau (Mr. Laprise), the hon. member for Villeneuve (Mr. Caouette) or the hon. member for Lapointe

(Mr. Grégoire) wishes to adjourn the debate later on in the evening, of course the procedure of the House of Commons is here for that eventuality. Would the house agree now that I put the motion for second reading?

Some hon. Members: Agreed.

Hon. P.-E. Trudeau (Minister of Justice) moved the second reading of the bill.

He said: Well, Mr. Speaker, as I understand the arrangement I will be the one who will be getting the worst of the bargain. I will have to make the opening explanation in respect of the bill. I do not believe we will proceed very far in terms of settling the adoption of the bill. However, I think there may be something to be said for this procedure. Perhaps I can explain a little of the history behind the bill, and the spirit in which it was drafted. This in itself might give hon. members something about which to speak at a later date on second reading.

At this point I might give a little of the history of the divorce laws of this country. The western provinces of Canada are now, by and large, governed by the divorce laws of England, the laws of 1857 as later modified in 1870. In so far as Ontario is concerned, that province also, broadly speaking, is governed by the divorce laws of England of 1870 which were brought into effect by the federal legislation of 1930. In so far as the maritime provinces are concerned, they are largely governed by pre-confederation statutes and a mixture of such statutes with the common law of England ante-dating confederation. So, I believe it is fair to say that the most up to date laws governing divorce in Canada go back to 1870. Even if we consider the problem of the two provinces of Quebec and Newfoundland, which have a special status concerning divorce, they too are governed by the laws of that time.

Therefore, with laws dating back to 1870, in a society which has moved so quickly and so far in the intervening 97 years, it is not astonishing that the present divorce laws and the way in which they govern our society is highly unsatisfactory and indeed produces some very evil results. We all know, even though we may not have had a very close or direct experience with divorce, that people today who are faced with situations in which their marriages can no longer continue, are placed in a curious dilemma. In a great number of cases, either they do not get a divorce and live under common law arrangements, which are generally unsatisfactory and irregular, or they go through a very hypocritical procedure of fabricating evidence and arranging proof for a divorce, which is also a hypocrisy and a sham. This is compounded by the fact that this parliament in one house, and later in the other, has over the years passed thousands of private divorce bills for at least two provinces in order to meet the situation. The people of Canada have realized that this kind of hypocrisy and sham is not satisfactory and that it is now up to this parliament to bring about a solution to this unacceptable social situation. Because of this, there has been mounting pressure from all areas for reform of divorce law. We have seen the continuing mounting pressure in many areas.

• (8:40 p.m.)

I think it would be proper at this point to underline the efforts of the many sections of the population—very laudable efforts indeed —to create the kind of public opinion in the country which permits us to tackle the problem properly.

Let me refer first to the joint committee of the Senate and the House of Commons under the very able joint chairmanship of two parliamentarians, and with the co-operation not only of many hon. members, but of many witnesses. This committee has prepared a remarkable report which has guided the government in drafting this measure. It has been very helpful to us in devising a solution.

I might also say that the press, members of the churches and the public at large have all been very helpful by their suggestions for reform. This proposed measure is not the sole product of one government, but rather the product of a social pressure which has been building up over the years to the point that this government had to seek a solution. We are now living in a social climate in which people are beginning to realize, perhaps for the first time in the history of this country, that we are not entitled to impose the concepts which belong to a sacred society upon a civil or profane society. The concepts of the civil society in which we live are pluralistic, and I think this parliament realizes that it would be a mistake for us to try to legislate into this society concepts which belong to a theological or sacred order. These are very important and sacred concepts no doubt, but they should not by themselves be considered as the sole guide for a government of a civil society.

Because of this it was necessary to find a remedy for these evils, and that is what this

government has attempted to do by this measure. The first point we tried to solve was the idea that even before dealing with divorce we must deal with the problem of strengthening the institution of marriage. This was brought home to us with great force and wisdom by many churchmen who appeared before us. They emphasized that the marriage is the important thing and that divorce is only a remedy to an unsatisfactory situation. We realize that marriage itself is the important aspect of any law which purports to deal with marriage and divorce. It is for that reason we wrote into this law at practically every stage provisions for reconciliation. This is true in respect of our definition of condonation, in respect of the obligations put upon lawyers who have clients asking for opinions in divorce matters, and in respect of the courts which hear petitions for divorce at the inception of the case, and even after the decree nisi has been granted. At all these stages we have written reconciliation concepts or procedures into the law.

This is a very important aspect of our law. Admittedly it is a concept which did not exist in this form in previous divorce laws in this country. We realize further that this whole situation requires more than just the adoption of a law. It requires that the government study on a continuing basis the effects of this law on marriage and study ways and means whereby reconciliation can be improved and bettered. This will mean that we will not only have to carry out research in respect of the consequences of this law and the way it operates, but we will have to continue to consult with provincial authorities, private organizations and churches. This was the first point we tried to deal with in this measure.

The second thing we tried to do was weed out the legal impediments to remarriage in cases where a previous marriage had broken down. As one hon. member pointed out last night, the consequences of our archaic divorce law is that many thousands of people—I think the figure of 500,000 was mentioned last night and the Canadian Bar Association also came up with some large figure—are involved in common law relationship in this country. This is a situation contrary to the desires of even those who believe most in preserving marriage.

These are people who cannot remarry because the present divorce laws do not create a situation in which they can get a divorce, or because they are too sincere to go through the sham proceedings so often required to obtain a divorce under our present law. The remedy we envisage is first to preserve marriage and second to make better marriages possible by weeding out the legal impediments which now prevent remarriage and the formation of happy couples. This is because the bonds of former marriages have not been untied.

Although the idea of divorce is still repugnant to many people in this country—and I respect the reasons for which many people oppose the idea, as a matter of conscience, or religious or moral beliefs—when these reasons are applied to the legislative program of a country, it means imposing on a great majority the beliefs of perhaps a small minority.

• (8:50 p.m.)

As I said earlier, I think one of the fundamental tasks we must achieve in this parliament is to avoid mixing sacred and the profane. We must realize we are living in a pluralistic society, and even though some laws may be repugnant to the morals of individual members they must realize that we are all here to legislate not our own personal morals upon the country but to seek solutions to evils which arise in a civil society and which must be solved by civil or criminal laws.

I think this is what has guided us in our decision to reform these laws. This is a good opportunity for me to say that because of this I did not find it necessary to recommend that the vote on divorce laws be a free vote, in the sense that the expression is used in this house. I respect those hon. members who for moral reasons do not agree with the concept of divorce. I think those who believe that marriage is indissoluble, and it is a very worthy belief, are in the position of asking themselves nonetheless whether this law is necessary now to find a solution to a real social evil.

I think I have shown, and hon. members know from experience, that these evils arising from our unsatisfactory divorce laws are very present in this society. I should say, for the benefit of those people who have moral doubts, that this is merely a permissive law. It is a law that will permit the breaking of the marriage link but which obliges no one to remarry, if this is against his principles. This legislation is just dealing with the civil link; it is not dealing with moral beliefs. Indeed I think it is theologically acceptable, even to the most stringent of Christians, that if an annulment of marriage is obtained under

church laws, canon laws, and if the only way to dissolve the remaining civil link is through divorce, then divorce in such a case is perfectly admissible.

I think this is borne out by the very large support we have had from many of the Christian churches in Canada for the reform of the divorce laws. I want to thank particularly the authors of a brief which was presented to me by representatives of the Anglican Church of Canada, the Canadian Catholic Conference, the Lutheran Council in Canada, the Mennonite Central Committee, the Presbyterian Church in Canada and the United Church in Canada. They, to single out this example, brought forth a very interesting and well thought out brief. Indeed, in some aspects they have gone perhaps further in the area of grounds for divorce than this government has gone in the law that is before hon. members.

I will explain later why we have not felt it wise on legal grounds to go quite as far as the churches have recommended; but surely the fact that they were prepared to go further than us should reassure those members who feel that on grounds of conscience they should hesitate before voting for this law.

Having gone through the analysis of these evils, and seeing that the only proper remedy was to bring in a new divorce law, this is what we proceeded to do.

I should say at this point that we are not attempting in this law to deal with the causes of divorce. One hon. member last night, when speaking at the resolution stage, pointed out that it would be important to deal with problems of poverty, slum clearance, alcoholism and other such evils. This is quite true in a sense. The breakdown of marriage is not something that happens in a vacuum; it is something that is very often brought on by social conditions or evils with which this legislation does not attempt to deal. We are dealing only with the consequences of these social evils. I hope hon. members realize that in a divorce law we cannot do much more than this.

The government through its social legislation, and indeed the provincial governments through their various forms of legislation, have attempted to weed out all these evils in society, some of which lead to marriage breakdown. But I think it would be unnecessary in this law to try to deal with all these causes of divorce. We have to legislate on this particular subject, and I hope hon. members will not think it is because the government is not aware of these other causes of divorce that it has not attempted to legislate on them.

[*Translation*]

Therefore, Mr. Speaker, since a legislation on divorce was to be drafted, I must say that the bill now before the house reflects our concern to respect the beliefs, the traditions and the customs of the various groups which make up our composite society.

This would seem obvious to anyone who would look at the provisions concerning the jurisdictions of courts, the rules governing procedure and proof. We did not want to disturb the administration of justice in the provinces by proposing new rules likely to confuse trial lawyers used to provincial regulations.

That is why, in principle, provincial superior courts of civil jurisdiction will now have jurisdiction in divorce matters.

There will be an exception, of course, in the case of Quebec and Newfoundland, but in our view,—and I feel I made that point quite clear last evening and, at the same time, it is a wish that I express—this exception for those two provinces is of a purely temporary nature. Moreover, as long as provincial laws of procedure do not come into conflict with the provisions of the present legislation, or with the rules of practice that competent courts may adopt, they will apply to divorce proceedings.

Finally, I wish to add that the laws of evidence in the province where divorce proceedings are started will apply to those proceedings.

At this point, Mr. Speaker, I should like to emphasize that in drafting this divorce legislation, we have taken into account the need to reconcile in the same act the procedures and concepts that belong to different statutes and mentalities.

For instance, when we decided that if divorce proceedings were to be taken let us say, in the province of Quebec, before the Court of the Exchequer, they would follow the provincial evidence act. We decided to include a section in the act authorizing the lawyers and parties taking proceedings in the province of Quebec to be governed by the provincial evidence acts.

Members will see that clause 20 of this bill is an innovation in this field, and I think it illustrates the real efforts we made to ensure in the drafting of the bill that we would bring a solution to a real social evil, while respecting provincial jurisdictions as

much as possible, all the evidence acts, all procedures and even the various ways of setting up courts in the different provinces.

So we have here the legislation that really represents my idea of a federal act, an act that applies to citizens ruled by provinces with quite different judicial systems. For this reason, Mr. Chairman, I took the liberty, a while ago, on the point of order, of noting that we had made all possible efforts so that all the citizens of this country, whatever their language affiliation, be treated equitably under this legislation.

The procedure before the courts is not the only indication of our concern over provincial differences. There is more. All provinces are not agreed on the measures to be taken to minimize the difficult consequences of a broken marriage, that is to say that in various provinces there are laws that vary from one province to another as far as alimony or the custody of children, for instance. That is why we have provided that during the divorce proceedings and in handing down the decree, the court dealing with the question of divorce—the very same court which is consequently in a position to know the circumstances and consider the parties—this court may order provisional or complementary measures appropriate to the parties and the children, taking into account all circumstances including the principles and customs recognized by the society in which they live.

• (9:00 p.m.)

[*English*]

Mr. Aiken: Would the minister permit a question at this point? I should like to ask him if he would tell the house why the recommendation to use county and district courts, contained in the report of the special committee was abandoned.

Mr. Trudeau: I do not mind talking a little about this. It will disturb the argument of my speech but I cannot blame the hon. member for not finding it a very coherent sequence. There is no harm in giving a short explanation at this point, though I may have to deal with it at greater length during the committee stage.

In short, the reason is that when we are dealing with divorce we are dealing with certain fundamental rights possessed by citizens of this country. We are dealing with something much more fundamental than property rights or money matters. When we are dealing with the latter, we do have courts at different levels which deal with various questions affecting property rights according to their importance.

I feel however that when we are dealing with marriage and divorce we should go to the superior courts, which in our society are traditionally called upon to decide upon the basic rights of human beings whether in civil or in criminal matters.

I realize that one of the reasons the joint committee wanted the county courts to exercise jurisdiction in this matter was because it wanted to make sure that the court would not be too removed from the people. My only comment on this is that the superior courts, or the supreme courts as they are called in some provinces, are not removed from the people. They all have district or circuit courts which go to the people, and on balance I felt it better to continue to use the higher courts, especially at the outset when we are breaking new ground and asking our judicial system to determine the operation of important laws, and to create a whole jurisprudence, a whole system of case law, which will govern these matters for many years to come.

[*Translation*]

To return to the subject I was speaking about earlier, I only wish to add a word or two. I ask the hon. members to realize that this measure does not abrogate the provincial laws; in other words, the laws concerning affiliation, for example, which exist in the various provincial jurisdictions, are not abrogated by our legislation on divorce. They continue to exist. We are merely trying to deal here with the question of divorce and the consequences immediately attending this breakdown of marriage. That is why, Mr. Speaker, we have provided for this three month period during which we want to consult with the provinces to make sure, in all good faith, that the present legislation can be applied without too much difficulty in all the provinces. That is why also, as I said earlier, we have sent to the attorneys general of all the provinces a copy of the present legislation, which we will be happy to discuss with them.

So much the more so that as I said last night, the matter of judicial separation is not dealt with in this bill. That creates, Mr. Speaker, a strange situation. In my opinion, according to the constitution—and this opinion is shared by many more eminent constitutionalists than myself—judicial separation comes under federal jurisdiction, so that

legislation now governing the provinces in that field could not be amended by the provinces because they have no jurisdiction in that field. So when we are called upon to pass a bill on divorce, which will not deal with judicial separation, that law will give grounds for divorce which will be broader than the grounds for judicial separation existing in several provinces. It will follow that it will be practically an encouragement to people to start divorce proceedings instead of separation proceedings, and I realize that anomaly perfectly. That is the phenomenon which made us include in a first draft of the bill provisions dealing with judicial separation which would have run parallel to the provisions dealing with divorce, and once again because I believe in co-operative federalism and because I believe that in such a field it is important that the central government should have consultations with the provinces, especially with those which already have in their statutes provisions dealing with judicial separation.

In the case of Quebec, this is even more important, because this province is now in the process of reshaping or reviewing its Civil Code and I know that very capable people are precisely working on the chapters concerning marriage, filiation and other related subjects. I think this will eventually lead to consultations between the provinces and the federal government, because of this anomaly: the Civil Code of the province of Quebec, since it was adopted before confederation in 1866, contains clauses and even whole chapters which do not come under provincial jurisdiction and which the province of Quebec itself cannot amend.

For this reason, the federal government, who is aware that the Civil Code is an important monument for French-speaking society, is not only willing, but anxious, to co-operate with the province of Quebec, inasmuch as it is necessary, so that this monument may be amended essentially by the provincial government, but partly also, as I explained a moment ago, by the federal government, so that the essential, special structure of such a monument as the Civil Code is not broken. I think that that is one aspect of the responsibilities of a federal government which, I will say it again, must rule over provinces governed by various judicial systems. Incidentally, I might say, Mr. Speaker, that this is one reason why it is also important for French-speaking people to have civil servants and politicians in Ottawa who can express their point of view. That is about all I wanted to say about this matter, Mr. Chairman.

• (9:10 p.m.)

[*English*]

Just before closing, I thought I would touch briefly on one other aspect, that of marriage breakdown. I said a moment ago that we had been very thankful for the co-operation we have received from many of the church groups who have guided us in our ideas about reconciliation in the divorce laws. They have, in their briefs, recommended some provisions with respect to marriage breakdown which we have decided not to follow quite in the way they suggested. I think in fairness, before closing, I should give a word of explanation on this aspect. Very careful consideration has been given to the recommendations of those who advocated the adoption of an unqualified marriage breakdown approach to divorce in this country. If such an approach were adopted it would, in my judgment, entail the creation of special courts with specialized personnel to administer the divorce laws of this country. This is so because I think it is wholly unrealistic to impose upon the existing courts of law, and the judiciary, an inquisitional approach coupled with what would be, in effect, broad administrative discretion in dealing with the subject matter of divorce.

Courts of law and judicial tribunals are concerned—

> —with legal rights and liabilities, which means rights and liabilities conferred or imposed by law; and "law" means statutes or long settled principles. These legal rights and liabilities are treated by a judicial tribunal as pre-existing; such a tribunal professes merely to ascertain and give effect to them; it investigates the facts by hearing "evidence" (as tested by long settled rules), and it investigates the law by consulting precedents.

This quotation is from an article by Mr. D. M. Gordon in the *Law Quarterly Review*, 1934. I should just add by way of contrast that administrative tribunals, when they are defined by law, base their decisions and orders not on legal rights, not on liabilities but on policy and expediency. It is essentially because of this, Mr. Chairman, that we have not introduced the marriage breakdown principle in its most naked form. We have, as hon. members have seen, put the marriage breakdown principle in the law, but we have tried to guide the courts by indicating what the evidence of breakdown should be. If hon. members read the law very carefully, they will see that some of the sections are quite wide.

Another reason for doing this, apart from the spirit of the civil law as opposed to administrative law, is that in fairness we should say we wanted to avoid a situation in which some courts would decide that there was no breakdown no matter what evidence was put before them, and that reconciliation was always possible. Some of those who believe in the indissolubility of marriage might be inclined to judge in this way. We did not want a situation to develop where some courts would not be granting divorces in any and all cases. We wanted to put in our law a direction to the courts that they must grant a divorce when certain evidences of breakdown or of offences exist.

For all of these reasons, we have adopted this way of proceeding. There is not much more I think I should attempt to say at this stage. I thank hon. members for the way in which they received the law at the resolution stage, and for their courtesy in listening to me at this present stage. I can only add that as we get along with second reading, and eventually to the committee stage of the bill, I will be guided by every loyal effort of every member of this house to improve this law in such a way as to remedy a situation that has long needed remedying in this country.

Mr. Fairweather: Will the minister permit a question at this stage? I did not want to interrupt his rationalization. Under this bill is there a change,—and I hope there is—in the system now in effect in New Brunswick whereby one judge is designated as the judge for divorce, and all hearings must be held in the capital city of New Brunswick?

Mr. Trudeau: Yes, Mr. Speaker; in clause 2(e)(i) of the bill the court of New Brunswick is defined as the trial division or branch of the supreme court of the province. There would be a change therefore from the former system, under which I believe the parties were obliged to travel some distance to go to the court. This is one of the reasons we felt it was necessary to consult the provinces to ensure that the implementation of this reform would be made without any undue hardship to those entrusted with the administration of justice.

[*Translation*]

Mr. Ovide Laflamme (Québec-Montmorency): Mr. Speaker, may I direct a question to the minister?

Earlier, the minister spoke about the effects of our provisional measures which could be applied, for instance, as far as Quebec is concerned, to the custody of children, the alimony and the domicile.

I merely want to know from the minister if negotiations have been started, especially with the province of Quebec, to avoid the ambiguity which will surely arise if the Court of the Exchequer should some day make a ruling on provisional measures relating to the custody of the children or to alimony, while an absolutely identical law in the civil code of the province stipulates precise jurisdiction in this regard.

Mr. Trudeau: Well, Mr. Speaker, I trust such negotiations will be numerous and harmonious. Of course, we could not, before the bill was ready, before it had been put before the house, give a copy of it to the province. However, we did endeavour to foresee such difficulties in drafting the bill.

I think that in dealing only with divorce at this stage and not with judicial separation, we shall avoid the kind of difficulty mentioned by the hon. member. But, of course, in the province of Quebec people will still, be free to choose a course of action under the legislation concerning separation from bed and board and of estate contained in the civil code or under the divorce legislation. They will have a choice to make and if they decide to act according to the provincial legislation other than under the civil code, they will be governed of course by the provisions of the civil code. If they decide to act under the federal legislation on divorce, they will be governed by these provisions.

If the hon. member studies those provisions, he will find that we have tried to draft them so as to avoid any conflict with provincial statutes. Of course, people will have to choose between divorce and legal separation.

Besides, jurisprudence enlightens us on another problem, and it is probably one of those the hon. member has in mind. What about the separation of estate?

Now, hon. members will realize that in this legislation, we have not implemented the recommendations of the joint committee of both houses which suggested that the federal legislation on divorce also deal with the matter of separate maintenance. It is precisely because we consider that question of separate maintenance comes essentially under provincial jurisdiction that we could not deal with it in the present legislation.

It is certain that some possessions, those which perhaps come from the marriage tie

itself, could be regulated under federal jurisdiction. But in practice, since it will be very difficult to distribute these possessions which are often worth little in comparison with the personal property of the husband and wife, it would have been a mistake to try to decide how property should be divided by the present legislation.

I think that the jurisprudence of the Superior Court of the province of Quebec will continue to be applied, and that a divorce will automatically mean separate maintenance.

This is an example of the respect we have shown towards this important problem of a conflict of jursidiction.

• (9:20 p.m.)

[*English*]

Mr. Robert McCleave (Halifax): Mr. Speaker, it has been more than a quarter of a century since the last massive attempt to reform the divorce laws of Canada was made in this country. That attempt, sir, was made by hon. Mr. Aseltine of the other place, and he was successful in persuading the other place to pass a measure that would have granted divorce not only on the ground of adultery but also, I believe, on grounds of cruelty and desertion. The bill came to this place but was allowed to die on the order paper. As I say, that was more than a quarter of a century ago.

Times have changed and public climate has changed. I think the biggest lag politicians have probably suffered from in the field of divorce is their assessment of what is the public mood and what the public wants. For example we found when we were holding hearings in the divorce committee, hearings that lasted many months, that one church organization after another came before us and presented opinions that were far in advance of the opinions we ourselves held.

I say that the time is ripe for divorce reform. I also say that there has been much human misery that can be counted in the tens of thousands of Canadians who have suffered because more than a quarter of a century ago this chamber refused to pass one simple measure which was nowhere near as comprehensive as the one with which we are dealing now, though heaven knows there are faults enough in it. However, I shall deal with those later. If this step had been taken by our forebears in this place, much human misery in this country would have been saved.

The Minister of Justice (Mr. Trudeau) has presented a bill modelled in part upon the recommendations of the committee whose report I hold and which held hearings that started on June 28, 1966 and ended on April 20 of this year before presenting its report. Some of the measures taken by the minister in his bill, compared with the ones drafted by the committee, are, I think, improvements on the committee report. But now that I have had a chance to study the bill and to compare it with the draft bill included in the committee report, other provisions to me constitute glaring weaknesses. As a matter of fact, sir, I intend to lay emphasis upon four only in my address this evening. There are others but I think they can be pointed out in committee; they do not strike at the heart of divorce reform as much as the weaknesses I intend to detail.

I do this, Mr. Speaker, not in a spirit of criticism but because the Minister of Justice was good enough to say before he sat down that he did want to consider any recommendations made by other members, so that in committee we could attempt to effect cures. This spirit pleases me very much because I think there is a chance to effect cures in four areas that I think are vital.

May I first commend the minister, largely for the way he has divided the grounds. He has not fallen into the trap of adopting marriage breakdown—or the permanent breakdown of marriage, to use his wording—as the over-all approach to this subject. Those who advocated it most strenuously could never believe that one party to a marriage could unfaithfully treat the other party to a marriage; that one party to a marriage could brutally abuse the other party to a marriage. Those who adopt the principle of marriage breakdown but want to be kind to both parties to a marriage that is in difficulty are living in the strange twilight world of today's morality, where there are no blacks or whites.

The minister has adopted as grounds for divorce adultery, sodomy, bestiality, rape, and has added homosexuality—all instances of human fault. He has also included bigamy. What conduct is more reprehensible than for one person knowing he is already married to marry somebody else? Or what is more reprehensible than cruelty, where one party treats the other party with brutality? I am glad to see that the minister has held on to the old time morality and kept those grounds without the leavening of the marriage breakdown theory.

Where he has adopted marriage breakdown I think it will be effective. The bill deals with marriage breakdown because of imprisonment of one's spouse, because of alcoholism or narcotic abuse, because one party to the marriage has disappeared for three years or has failed to consummate the marriage. In this regard there was an exchange in the house last night between the hon. member for Okanagan-Revelstoke (Mr. Johnston) and the minister, but this is nothing new. Much of what the minister has included in the bill is not new; it can be found at pages 160 and 161 of the draft bill of the divorce committee. We dealt with that and came up with a pretty reasonable formula.

Although I would give the minister marks for improving on that formula somewhat, he has not done so in one particular instance, the case of marriage breakdown where the parties are not living together. A period of three years was suggested if the parties have voluntarily separated, but five years if one spouse deserts the other. Many of us in the committee considered that in cases of marriage breakdown a voluntary separation for a period of three years was a pretty civilized way of ending the marriage. I think that prescribing three years as a trial period, to enable the parties to live together again to see whether the marriage could be repaired, made sense.

• (9:30 p.m.)

The minister has retained this but has taken the desertion of the petitioner and made the applicable period not less than five years. In other words a man and woman may agree, in a civilized manner, that they are not getting along and that they will separate for three years. At the end of that time they have the remedy of divorce. On the other hand, a man may decide that he cannot live with a woman, or a woman may decide that she cannot live with her husband, and march out. There is no civilized breaking of that marriage; there is no civilized separation of that couple; there is a brutal withdrawal by one of the parties. The civilized person waits three years for his divorce, but the person who is brutalized by desertion has to wait for five years. There is no justice in that, and I hope that this matter will be cured when the bill comes before the committee. I hope that hon. members agree with me that the spouse who is brutally deserted should have greater relief than is presently provided by the bill.

[Mr. McCleave.]

The committee report dealt with this matter, not from the aspect of marriage breakdown but as a ground by itself. In simple language, on page 59 of the report of the special joint committee we find this:

—has deserted the petitioner without cause for a period of at least three years immediately preceding the presentation of the petition;—

The period, if one takes the worst instance, which is desertion, should be not five years but three years. The largest class of persons needing relief in Canada are those who are deserted. Their number alone is at least 60,000, a formidable number. That number is at least equal to seven times the number of cases which are heard each year in the divorce courts of Canada.

The minister said that the ground of homosexuality has been added—

Mr. Trudeau: Before the hon. member leaves the question of desertion, I want to make sure that I understand his criticism. The three year period applies to the deserted party. The deserted party need not wait for more than three years. The deserter must wait for five years. It is the offended party, if we may use that concept, who must wait for three years.

Mr. McCleave: I thank the minister for his explanation. He mentioned this matter to me outside the house. I have read this bill carefully and I presume that clause 4(1)(e) is the one that is applicable. I think the minister ought to clarify that wording when we get in committee. As the bill is worded now we find, on reading subparagraph (e), that—

—the spouses have been living separate and apart
(i) for any reason other than that described in subparagraph (ii), for a period of not less than three years, or
(ii) by reason of the desertion of the petitioner, for a period of not less than five years, . . .

The wording must be made more clear in committee. It must be shown more clearly than the deserter has the right to lauch a petition after five years. From my reading of the clause I take the meaning to be that the one who is voluntarily living away from the other party is covered by (i) and the deserted petitioner is covered by (ii). I am sure that this matter may be cleared up when we come to the committee stage of the bill.

Mr. Trudeau: My intention is similar to the hon. member's. If we need to clarify the language, I shall look at the wording. I am not sure that the language is wrong, but I am sure that my intention is the same as the hon. member's.

Mr. McCleave: Fine, we have cleared up one grievance, Mr. Speaker, and I am glad to have that assurance from the minister.

The minister has added the ground of homosexuality. I believe that covers cases where a man is married to a practising lesbian. The committee was not able to deal with this matter and the minister, by one magic word, has solved the problem. Nevertheless, he has taken away two grounds from the committee report. One ground is that arising from wilful non support, and the second is that arising from marriage breakdown through illness.

I am not particularly wedded to either concept but I hope, when we discuss these matters in committee, that we shall have a free vote about some of these contentious categories so that members of the house can express themselves freely, and in large numbers, on those points I have mentioned.

The second major change that the minister made with respect to the draft bill is removing jurisdiction from the county courts. Perhaps I ought to be more precise. The minister has rejected the committee's recommendation that county courts should have jurisdiction in divorce cases. Sir, the government has made an unfortunate decision here. Some of us hoped that divorce cases could be heard in county courts instead of having petitioners wait for circuit judges to come around. County court judges, generally speaking, are readily available to hear cases; circuit court judges are not. I realize that in cities like Toronto there is no problem with respect to circuit judges, because some judges from the circuit are always sitting. However, in some smaller towns of this province the circuit judge comes around only once or twice a year.

In this bill the minister has tried to set up a reconciliation procedure. Provision is made for the parties to wait for 14 days before resuming their action. One may find that a judge has come and gone in that period and that a person would have to chase him all over northern Ontario, or where have you, to catch him and to resume the action. This obviously is a retrograde step.

Another change from the draft bill concerns reconciliation procedures. I do not think the committee got into that field. The minister ought to be thanked for getting into it, but I do not know how effectively he has entered it. I suggest, sir, that we shall need a new approach by our courts to make reconciliation procedures truly workable. In the bill a beginning has been made; the judge can refer parties to counselling agencies, or he can postpone their case until they have received counselling. The lawyer, also, has certain obligations. I think, however, most lawyers worth their salt try to hold a marriage together when people come to them with divorce problems. So, we are not really called upon to assume "Dear Abby" roles in that regard. But again it seems to me you have to have a court procedure situated in one place, not in the hands of a roving judge, and in a court where it is customary to have a more informal atmosphere than prevails in the supreme or superior courts of this land. A county court is at least half way to the kind of court I visualize. Certainly the judges in county courts are permanently based. They are not on circuit, or if they have circuits they are not long circuits.

• (9:40 p.m.)

I would like to make another point with regard to court proceedings. I think that as long as we leave divorce cases in the supreme or superior courts, divorce will be very much beyond the reach of many people in this country. I realize that legal aid is becoming more and more common across Canada, and that legal aid for people in matrimonial matters is also becoming common, even in provinces which once refused to extend it to such cases. When legal aid was introduced in the United Kingdom it was found that approximately two thirds of the matrimonial causes relied in some way on legal aid. Until we have an equal generosity in Canada there are going to be many people caught in the so-called common law situations, that is, married to somebody else and living with third parties, who through lack of money will not be able to solve their problems. I suggest that if we continue our high court approach on this matter we simply compound their problems. They simply will not be able to solve their problems and get divorces, for which the grounds readily exist, and then regularize their new liaisons. As the Canadian Welfare Council pointed out in perhaps the most remarkable statistic given to the joint committee of the Senate and the House of Commons there are 400,000 Canadians in the position of the so-called common law relationship.

Another point I should like to make deals with the theme of reconciliation. This is something the committee studied at length without, as I noted before, coming to a recommendation with respect to it. The only

worthwhile work in this field that I personally have read about has been in the courts of Los Angeles in California. This was done by a Judge Burke, who would get the parties before him and, if they showed the slightest sign of wishing to reconcile and not go through with their divorce proceedings, he would have experts talk to them and try to find out what was on their minds, and then have the couple consent to a court order.

It might work out this way, that Mr. Jones would be upbraided by his wife because he went to a tavern twice a week after work, and on the other hand his complaint against her was that she would play bridge twice a week and neglect him for the girls at the bridge table. In the process of reconciliation developed by Judge Burke he would get the couple to agree that the husband go to the pub only one night a week, and the wife play bridge only one night a week, and then put it in the form of a court order so that if either one broke that promise he or she would be guilty of contempt of court.

I have read a fair amount on this, and so far as I know this was the only practical way of getting some of the differences between husband and wife ironed out to the point that the reconciliation procedure would work. Frankly, despite the good intentions of the minister and of those who advised him to take the step, I feel the reconciliation provision in the bill will not work. A judge will glance over the bench and ask if there is any prospect that the marriage can be saved. The person who has already spent a great deal of money by that point to get into the court, will simply say no, and there goes all that part of the minister's bill.

I suggest again, and I know the minister will be receptive to my suggestion, that this is something we cannot solve in this particular divorce bill, and I do not think we should try to mislead ourselves that we are going to solve it in this divorce bill. However, what I suggest can be done is that the minister carry on continuous consultations with the attorneys general of the provinces, to see if he can work out a consensus so that a lower court approach is used to these cases, and so that the counsellors and other professional help are available at the lower court level.

The procedure in Los Angeles that I have mentioned probably saved about 10 per cent of the marriages. That is not a very high figure, but 10 per cent in this divorce prone age is an important figure; because now we are getting into the divorce generation—the people who come from broken homes and are more susceptible to broken marriages themselves. Indeed, sir, if a young adult comes from a broken home I almost liken that person to one who marches forth into life hobbling along on a broken leg, because sooner or later the environment in which he has grown up is apt to catch up with him as well.

It is important to try for reconciliation and to head off the breakdown of marriages, but I doubt very much if the procedure suggested in this bill will affect 1 per cent of the 8,500 cases we have in Canada today. And, let us face it, with the extra grounds we are adding in this bill we can expect that our divorce rate will probably be doubled and more than doubled for at least the foreseeable future. So, sir, there is a real challenge to achieve the reconciliation process at an earlier level of court proceedings, and above all to get to the root cause of what makes marriage fall apart in today's society.

In conclusion, Mr. Speaker, again I hope we will be able to deal with the matter of the courts in which these cases should be heard. I suggest that the minister take a long second look at the idea of having them in the county courts initially. I have mentioned the matter of wording over desertion cases. I think he and I agree on what we want, and it is just a question of getting the proper language. I also suggest that we keep in our minds the fact that court proceedings are far too expensive in these divorce matters, and that we have a long way to go in reconciliation provisions and in taking steps to catch marriage breakdown before it becomes the disease that is divorce.

• (9:50 p.m.)

[*Translation*]

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, before I deal with the subject, I wish first of all to make two observations that seem to be required to avoid any misunderstanding.

First, the following thoughts are addressed to a state or a people who claim to be Christians. Christian does not mean Catholic. Taking into account the various religious persuasions in this country, these few notes do not relate to one sect or another. Because they are inspired by natural morality, they are somehow above the religious differences of the citizens.

Secondly, before any development or discussion, it is important to define adequately what we mean by the term "divorce". In these notes, divorce means a break-up of a matrimonial bond duly contracted. So, there

is no question of later recognition of the bond that has never existed but the breakdown, the dissolution of an existing bond, regardless of whether such dissolution is effected by the individual as such, by the state or by some religious authority. This concept of "divorce" must be very clear before the next step is taken. The basic principle is natural indissolubility of marriage.

Divorce as such brings into question an essential property of marriage, its indissolubility. Before dealing with the ticklish matter of divorce, it is fitting to consider this property of marriage. In my opinion, and to resume briefly what I think, marriage, considered on a strictly natural level and not in its religious or surnatural perspective, is a fundamentally indissoluble community. In other words, a duly constituted marriage involves a bond which, in itself, is absolutely permanent and infrangible, and which no authority can break, except the death of either one of the spouses. I back up my statement on three major grounds which constitute the foundation of the indissolubility of marriage.

The first reason is that the indissolubility of marriage is a divine institution.

That is the obvious meaning of the biblical text in Genesis which reads as follows:

> Therefore shall a man leave his father and his mother, and shall cleave unto his wife: and they shall be one flesh.

Indissoluble marriage is not a human institution. God alone is the author of it and that is how He wanted it, that is absolutely indissoluble. A nation which proclaims its faith in God and the message He left in the Bible would be well advised to pay some attention to that divine will which insists on the indissolubility of the marriage ties.

Here one might hear the classic objection: But in the Bible it is easy to see that God Himself allowed polygamy, divorce with a possible remarriage. Even if God allowed such a thing, there is no need to conclude that it was good in itself. It was rather a matter of legally channelling an evil.

Mr. Trudeau: Would the hon. member allow me a question?

Mr. Simard: Certainly.

Mr. Trudeau: Does the hon. member know that the Canadian Catholic Conference recommended that we should improve, in the way I have done it, the divorce law, and that this Canadian Catholic Conference represents the bishops of this country, who are fairly good Christians?

Mr. Simard: If the hon. minister has enough patience to listen to the rest of my remarks, he will probably find an answer to his question.

"On account of the hard-heartedness of this people", says the Bible in the Deuteronomy, the State which was in fact in Israel a theocratic state had to admit this legislation of tolerance. Therefore, to answer the objection, that permission on the part of God was rather a tolerance as regards a situation that was not to last. God permitted, tolerated something evil in itself. That did not mean at all that such a thing was good. Moreover, a less superficial reading of the Bible shows us very well that already in the Old Testament, the dissolution, even legal, of a regular marriage did not seem totally admissible from a moral point of view.

We find a confirmation of this in the New Testament, (this confirmation is worth, of course, only for Canadian Christians, not only for the Catholics, who believe in Christ). All that is needed in this connection is to read St. Matthew, chapter 19, verses 1 to 10, where Christ is most explicit on the matter of divorce, on the indissolubility of marriage, and I quote:

> Have ye not read, that he which made them at the beginning made them male and female,
>
> And said, For this cause shall a man leave father and mother, and shall cleave to his wife: and they twain shall be one flesh?
>
> Wherefore, —

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member, but it is ten o'clock.

A motion to adjourn the house has now been moved.

[*English*]

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, tomorrow we will begin the budget debate, which will continue the rest of the week and next week.

PROCEEDINGS ON ADJOURNMENT MOTION

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

Proceedings on Adjournment Motion

[*Translation*]

IMMIGRATION—IMPROVEMENT IN SERVICES TO NEW CANADIANS ON ARRIVAL

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I put recently the following question to the Minister of Manpower and Immigration (Mr. Marchand):

As a result of an emergency situation created by the channelling of immigrants to certain areas of the country, has the minister received requests for assistance to new Canadians and is it his intention to take immediate steps to improve the scheduling of immigrant arrivals in various areas of Canada?

I know that the minister has received a brief from the Assistance Service to New Canadians in the county of Sherbrooke, which has proposed the five following recommendations:

The number of immigrants channelled to Sherbrooke and the area.

Selection according to profession and trade.

Certificates of qualification.

Hospital insurance.

The personnel specially dealing with immigrants.

In addition of Assistance Service to New Canadians in the Sherbrooke area—

—is asking that arrivals of immigrants be planned, taking into account the absorption capacity of the labour market in the area.

—the Service suggests that more attention could possibly be given to the guidance of immigrants, in order to ensure that job opportunities exist in the profession or trade of the applicants.

As an example, Mr. Lionel Bureau, president of the Assistance Service to New Canadians—

—for the Sherbrooke area—

—points out that a couple of months ago five welders were needed on the Sherbrooke market.

Ten heads of family were directed at once towards Sherbrooke. As a result, five of those persons obtained some work often at ridiculous wages in a trade which was not their own.

The Assistance Service of the Sherbrooke area—

—states that it has often noted the serious problems involved, for a skilled worker, in obtaining a competency card in the province of Quebec.

We believe—

—continues the brief sent to the Minister of Manpower—

—that renewed representations should be made to the professional and government organizations to facilitate the integration, in the various trades, of people already qualified in related fields.

Always as an example, Mr. Bureau notes that the competency card issued in Canada is the equivalent of a mere apprentice card when the worker involved often has 10 to 15 years of experience in his skill.

Indeed, several of these competency cards can only be obtained in Montreal.

[Mr. MacEachen.]

As far as hospital insurance is concerned, the service points out, and I am quoting the paragraphs of the brief presented to the minister—

• (10:00 p.m.)

As the Quebec hospital-insurance regulations do not provide for the payment of hospital bills for immigrants with less than 3 months residence in the country, some immigrant families struck by disease are in extremely hard circumstances if they are badly off financially when faced with several hundred dollars worth of hospital and doctors bills.

As another example, Mr. Bureau points out that an immigrant who came to Sherbrooke a little over a month ago owes a tremendous amount of money for medical care provided to two members of his family. Consequently, he will be in debt for a long time.

That is why, Mr. Speaker, I draw these various grievances to the attention of the minister or his parliamentary secretary this evening. It is most important that Canada, which needs an ever greater number of immigrants in order to develop, should be able to channel its immigrants in an intelligent and rational way towards the various regions of Canada, without pushing them into human problems they cannot solve.

There is the problem of employment, of social factors, of hospital insurance, of health insurance. If we want Canada to become a great country, we must do more than have our immigration officers abroad attract immigrants by luring them with bright prospects in Canada. We must also, once they get here, guide them well and direct them to work that will allow them to fulfil themselves as Canadian human beings.

The Acting Speaker (Mr. Rinfret): The hon. Registrar General of Canada.

Hon. John N. Turner (Registrar General): I shall leave the floor to the parliamentary secretary to the Minister of Manpower and Immigration.

Mr. Knowles: In French.

[*English*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I am sorry I was not here to hear the remarks of the hon. member, but I have an answer for his consideration. The timing of arrival of independent immigrants destined to the labour force is largely influenced by the seasonal nature of the Canadian labour market. This is achieved by

immigration counselling abroad, by the new immigration selection system and by the timing of granting of immigrant visas. Similarly the area of destination in Canada is determined by these same factors, although the immigrant once landed in Canada has of course complete freedom of movement. It is the responsibility of our Canada manpower centres to place new immigrants in employment, to move them to areas of better opportunity, to give them language or other necessary training and to grant them necessary financial assistance during the initial settlement period.

EXTERNAL AFFAIRS—VIET NAM—ADVICE BY MINISTER TO TORONTO STUDENTS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, the matter I wish to raise tonight I tried to raise almost a month ago. It arose from a Canadian Press despatch in the Vancouver *Sun* of November 4. Under the heading, "Arms Sales To United States Paying College Bills!" the article says:

> Transport minister Paul Hellyer told 300 University of Toronto students Friday to "be careful not to become great moralists" over the Viet Nam war.
>
> The former Liberal defence minister told one student questioner that part of his university education is being paid for by the sale of Canadian goods, including arms, to the U.S.
>
> The student had said sales of war materials to the U.S. totalling $300 million a year are "a crime against humanity."

I want to know whether the minister was speaking for the government in cautioning these students not to become great moralists over the Viet Nam war, and at the same time informing them that part of their university education was being paid for by the sale of Canadian goods, including arms, to the United States. I wish to sketch briefly the background of this question. The Toronto *Telegram* of November 6 published this special item from New York:

> Quietly but steadily Canada is boosting its aid to the United States in the Viet Nam war although officially the government is opposed to the conflict.
>
> Diplomatic observers believe the action could hurt Canada's posture as a determined peacemaker in the fighting—Canada is a member, with India and Poland, of the International Control Commission formed to supervise any truce in Viet Nam.
>
> In Ottawa an external affairs spokesman said arms shipments hadn't reached the point where the government would have to reconsider its policy.
>
> He added, the policy would need further study, "if U.S. defence contracts in Canada got completely out of hand.

We find a spokesman for the Department of External Affairs worrying about the way Canadian arms contracts are mounting and saying that the policy will need further study if defence contracts in Canada get completely out of hand. When we couple this with the fact that last year only one defence contract was awarded to the Candian Commercial Corporation in Ottawa, Canada's official government buying agency, which then distributes these contracts to the firms, we find the position in marked contrast to that of this year. This year the number of U.S. contracts Canada has are set out in great detail by the *Telegram*. If my mathematics are correct, they total this year $264,529,831.

• (10:10 p.m.)

These students, as I say, are in an invidious position. They are worried and concerned, even as the spokesman for the Department for External Affairs is worried and concerned about the mounting sale of Canadian arms to Viet Nam. Yesterday, the Montreal *Star* informed us that United States aircraft have to date dropped more bombs on Viet Nam than were dropped on Europe during the whole of the second world war. In such a situation as this the students are justified in feeling concerned. If the government is suggesting to them that they should not be overly moral in their approach to this question, and telling them at the same time that their education is being paid for in part by sales of arms to the United States, the position is a most peculiar one. It seems to me that students should not be placed in such a position.

I think the government should act now to cut out this bloody trade—and I use the word "bloody" advisedly—which is blasting the very life out of the people of Viet Nam. I think action should be taken now to leave our students with clean hands and clean minds. If sales of arms to the United States are indeed helping to pay for their education we should act in such a way as to leave students free to protest about this thing which concerns each one of us, as it concerns the Department of External Affairs; they should be free to protest without being told by a government spokesman, the Minister of Transport in this case, that they should not take an overly moral approach to the situation in Viet Nam. I want to know where the government stands on this question.

I hope the minister will look up the record tomorrow and read what I have said; I notice that he has only just arrived. I should like him to explain why we should inculcate in these students a desire not to be overly moral

in their ideas about Viet Nam, and warn them at the same time that their education is being paid for in part by the sale of arms to the United States. Was he warning them not to bite the hand that feeds them? Was he expressing government policy on this occasion? If this is the case, how does he reconcile what he said with the fact that the Department of External Affairs is itself concerned about this situation? I wish the minister would explain the meaning of his remarks.

Hon. Paul Hellyer (Minister of Transport): If the hon. lady had been present I do not think she would have been showing the concern she has been showing tonight. The question which was put to me was a reasonable one. I gave a reasonable answer, but it did not satisfy the young man to whom it was addressed. He came back to the charge, as was perfectly fair according to the rules of engagement between a minister and a student in the circumstances.

I repeated the answer in a slightly different form, and then cautioned the young man as part of the answer that it was very difficult to know where to draw the line with respect to these complex matters when all the world is slightly inconsistent and all parties are slightly inconsistent, and people have great difficulty in sorting out in their minds the position of the demarcation line between what is right and what is wrong, and when, between black and white, there are many shades. As often happens under these circumstances, the newspaper took a single sentence out of a long and reasoned answer. This was all that appeared in the newspaper. I think it is unfair and unfortunate that, for whatever reason, this is occasionally done and reports of this kind are filed. They do not give any of the sense of depth of the reply that was given to a very serious and important question.

I can assure my hon. friend that if she had been there, while she might not have agreed with everything I said, she would have found it difficult to disagree substantially with the substance of my answer. I think she will appreciate, from her own experience, how difficult it is sometimes to have reports represent not only what was said but the sense of what was said. In this particular case, there was no real relationship whatever between what appeared in the newspaper and the gist of my reply. I think my hon. friend would be the first to admit this if she had been present.

[Mrs. MacInnis (Vancouver-Kingsway).]

OLD AGE SECURITY—CENTENNIAL BONUS TO SENIOR CITIZENS

Mr. E. Nasserden (Rosthern): Mr. Speaker, the question I raise tonight has to do with old age security and the advisability of providing a centennial bonus to our senior citizens during this one hundredth birthday of Canada. I little thought when I placed this question before the house that I would have the privilege of sharing this quiet evening with the hon. member for Westmorland (Mrs. Rideout). Indeed, I really thought it might be a means whereby we might get the hon. member for Westmorland and the hon. member for Inverness-Richmond (Mr. MacEachen) together, so that they could present a united front from the maritime provinces.

When I take a look at the many celebrations that have been embarked upon in this country during our centennial year, I cannot help but realize that our senior citizens have been almost left out of these celebrations. They did receive a plaque if they had reached their one hundredth anniversary. I think, too, of the budget that was brought down by the Minister of Finance (Mr. Sharp) the other day and the general economic conditions in this country. The cost of living has been rising month by month for more than three years.

I think of the terrible plight of those on fixed incomes who have to meet the rising cost of living. We should realize that there are 1,200,000 people included in the category of senior citizens. These were the people who pioneered our country. These were the men and women who made possible everything we have in Canada today. They made possible the celebration of the one hundredth anniversary of this nation. They pioneered in the building of railroads from one end of this country to the other, so that the country could be joined together and there could be a greater degree of unity, so that there could be settlements in the western regions of our country and in that great province of British Columbia as well. These people also helped to build the transportation links to the north country, so that those who inhabited the rich expanse of our nation might also know something of the benefits that come from the unity of this nation.

I think of my own part of the country in the prairie provinces. Men and women came to pioneer in the breaking of the sod, the planting of grain and the harvesting of the crops of golden grain that made Canada the grain bin of an empire, the greatest empire of all times. Then I think, too, of those who

went into the mines and forests of this country, and they were pioners as well. We are almost at the very end of our centennial celebrations, yet this government begrudges to these people this centennial bonus of $100 which could be the frosting on the cake as far as the celebrations are concerned.

• (10:20 p.m.)

Mrs. Rideout: Ah.

Mr. Nasserden: The hon. lady says "ah". I know this astounds her because she cannot help but feel for these people, as does everybody in the house. Considering there is a surplus in the old age security fund, and that it would only require a few more million dollars to make this payment possible, and, in view of the fact that hundreds of millions have been spent during past years on the centennial celebrations, surely this is a legitimate grievance to raise. This is particularly so in light of the ideals and hopes of those who laid the foundations of the Canada we have today. I hope the parliamentary secretary to the minister will use her influence with both the minister and the government to make this payment possible.

The minister said that he would take this suggestion to the Minister of Finance. Nothing has happened and I can only draw one conclusion. What has happened to the influence of the minister of national health when he cannot budge the Minister of Finance on this important question? This is one matter about which the people in the maritimes in particular will have to ask themselves. People all across the country will wonder why in none of the three budgets which have been presented in little more than a year there is any provision for a centennial bonus. All that has been provided is something like $2.10 per month for the old age security recipients in order to meet the rise in the cost of living.

Without saying anything further I would be very interested to hear the parliamentary secretary tell us when the government is going to bring this centennial bonus into being.

Mrs. Margaret Rideout (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened to the hon. member's suggestion with much interest, and indeed the government has examined his proposal with a great deal of concern. The hon. member's suggestion of a $100 centennial bonus to the recipients of old age security and the guaranteed annual income supplement is a very noble one, but one item he neglected to mention is that the cost to the federal treasury would be something in excess of $125 million. It was therefore thought inadvisable, particularly in this period of heavy inflationary pressure, to ask the government to spend this amount of money at this time.

As a personal observation to the hon. member, who I know is very sincere and dedicated in his responsibilities as a member of parliament, may I say that his proposal is not really entirely in accordance with the economic principles expounded by the members of his own party.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, December 6, 1967

The house met at 2.30 p.m.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

TENTH REPORT OF STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Tenth report of standing committee on transport and communications—Mr. H. Pit Lessard.

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

[*English*]

PRIVILEGE

MR. McCLEAVE—FIFTIETH ANNIVERSARY OF HALIFAX EXPLOSION

Mr. Robert McCleave (Halifax): Mr. Speaker, 50 years ago this morning occurred the Halifax explosion, one of the most awesome events in our Canadian history. About 1,600 were killed and another 6,000 injured, 10,000 were left homeless and property damage was estimated at more than $35 million.

The most sizeable donation to the stricken city, $18 million, came from the parliament of Canada, and to this day we have the Halifax relief commission, which reports to the Minister of Finance, as a reminder of the help all Canada gave at that critical time. It may interest hon. members to learn that approximately 80 pensioners still receive eye disability pensions and another dozen to two dozen receive general disability pensions from the funds, partly provided by that earlier parliament, still administered by the commission.

On this fiftieth anniversary my colleague and I should like to thank Canada on behalf of the area we serve.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WINTER WORKS CONSTRUCTION, SASKATCHEWAN

Question No. 426—**Mr. Southam:**

1. How many post offices will be constructed in Saskatchewan in the 1967-68 winter season under the federal winter works program?

2. Where will these post offices be built?

3. Are any other public buildings such as R.C.M.P. barracks planned for construction in Saskatchewan this winter under the winter works program and, if any, where will they be constructed?

Hon. G. J. McIlraith (Minister of Public Works): 1. Four localities have been selected; however, whether or not post office buildings will be constructed will depend on the availability of suitable sites at reasonable prices, the nature of the response to the invitation for tenders, and other similar considerations.

2. The four locations referred to above are Dubuc, Insinger, Mistatim, and Quinton.

3. None under the winter works program.

REVISED STATUTES OF CANADA

Question No. 427—**Mr. Caouette:**

1. How many days did the members of the statute revision commission sit?

2. Is it intended to replace the term "Statuts revisés du Canada" by the term "Lois revisées du Canada"?

3. Is it intended to remove the references to the laws of Great Britain from Canadian legislation?

4. Is it intended to replace the terms "Puissance" and "Dominion" by the term "Canada"?

5. Is a particular importance attached to the French version of the revised statutes of Canada?

6. In the legislation section of the Department of Justice, how many English speaking and how many French speaking jurists are there?

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): 1. Formal sittings of the commission were held on four occasions. No records are kept of working sessions of members or groups of members.

2. No. The legislative policy with respect to this nomenclature is set out in 1964-65, c. 48, s. 14.

3. No, unless the reference is spent, or has been repealed or replaced by later legislation.

4. The expression "Dominion" would not be changed to "Canada" if it involved a change in the title given by parliament to an act, a body corporate or other body or to a profession. The expression "Dominion" in other contexts to describe the parliament or government of Canada would normally be altered in accordance with 1964-65, c. 48, s. 5, which empowers the statute revision commission to make such alterations as are necessary to preserve a uniform mode of expression, and to make such minor amendments as are necessary to bring out more clearly what it deems to be the intention of parliament.

5. Yes.

6. At the present time there are 7 English speaking and 4 French speaking lawyers in the legislation section of the Department of Justice.

[*English*]

*FEDERAL PAYMENTS TO PROVINCES

Question No. 704—**Mr. Rynard:**

1. How much money did the federal government pay to each of the provinces for the fiscal year 1965-1966 under (a) conditional grants (b) unconditional grants (c) unemployment insurance benefits (d) old age security (e) family allowances (f) other payments?

2. What was the total amount of all these payments for the said fiscal year?

Hon. Jean Chrétien (Member of the Administration): Mr. Speaker, as the answer to the first part of the question is very long, may I ask for leave to have the answer printed as read?

Mr. Speaker: Agreed?

Some hon. Members: Agreed.

[*Editor's note: Here is the answer in question.*]

Payments to Provincial Governments and to Individuals in the Provinces (1965-66)

(millions of dollars)

Province	(a) Conditional Grants to Provincial Governments[1]	(b) Unconditional Grants to Provincial Governments[2]	(c) Unemployment Insurance Benefits	(d) Old Age Security Pensions	(e) Family Allowances	(f) Others[3]
NFLD	53.0	43.8	17.4	17.6	16.9	6.7
P.E.I.	7.6	10.4	3.0	7.4	3.2	3.6
N.S.	40.3	50.5	16.1	42.0	21.6	21.4
N.B.	44.6	44.9	15.9	31.0	19.0	14.7
Que.	379.0	142.7	97.8	201.0	165.0	51.1
Ont.	313.1	22.8	81.9	337.2	182.4	125.2
Man.	53.4	30.5	12.8	55.5	25.9	20.5
Sask.	45.1	31.2	8.8	56.8	27.0	15.2
Alta.	78.0	11.5	13.6	62.8	42.4	24.1
B.C.	102.0	3.0	30.6	115.3	47.0	51.7

[1]Payments under the programmes covered by the Established Programmes (Interim Arrangements) Act have been adjusted to indicate the total federal contribution (i.e. tax abatements, equalization and operating cost adjustment).

[2]Includes statutory subsidies, equalization grants, Atlantic provinces adjustment grants, Newfoundland additional grant, share of federal estate tax and share of income tax paid by certain public utility corporations.

[3]Includes Youth Allowances and War Veterans pensions and allowances. (The amount indicated for Quebec includes the value of the special abatement in lieu of Youth Allowances as per the Federal-Provincial Fiscal Revision Act, 1964.)

With regard to the second part of the question, the total amount was $3,616.5 million.

BLUEWATER BRIDGE COMMISSION

Question No. 708—**Mr. Bell (Saint John-Albert):**

Has the federal government jurisdiction over the commission that administers the Bluewater bridge between Sarnia and Port Huron, U.S.A. and, if so (a) who are the officers of said commission, with their duties and terms of appointment and remuneration (b) how many regular employees are there (c) are there any other appointees, either part or full-time, and what are their names and salaries (d) how many meetings of the said commission were held in 1966 and what was the total revenue and expenses?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, under the Blue Water Bridge Authority Act: (a) there are four Canadian members of the authority. The present incumbents are Messrs. Gregory A. Hogan; John S. Blunt; Thomas Milway; and John D. George, each appointed by the governor in council. Mr. George was appointed on September 9, 1966 for a term of three years. Messrs. Hogan, Blunt and Milway were appointed on September 18, 1967 for terms of three, four and five years respectively. The members hold office during the pleasure of the appointing authority and serve without remuneration but are entitled to be reimbursed out of the revenues of the authority for travel, living and other necessary expenses incurred by them in the performance of the duties of the bridge authority under the Blue Water Bridge Authority Act; (b) as of November 30, 1967, the authority employed 38 persons on a regular basis; (c) there are no other appointees; (d) in the 1966-67 fiscal year (September 1, 1966 to August 31, 1967) the gross revenue of the authority was $588,430.62 and the gross expenses were $509,279.28. There were four formal meetings of the authority during the 1966 calendar year. The members also meet informally from time to time as the business of the authority requires.

GRANTS IN AID TO WEST INDIES

Question No. 710—**Mr. MacRae:**

1. What were the total grants in aid made to the West Indies for each of the last five fiscal years?

2. Is any increase contemplated in the scope of aid to be given to the West Indies?

Hon. Paul Martin (Secretary of State for External Affairs): 1. During the past five years Canadian bilateral aid made available to the Commonwealth Caribbean has totalled $51.9 million. This aid has been made available in the form of grants and long term loans in each year in the following amounts.

	(in $ millions)		
	Grants	Loans	Total
1963-64	2.1	0	2.1
1964-65	4.0	5.5	9.5
1965-66	4.5	5.5	10.0
1966-67	6.1	7.0	13.1
1967-68	9.2	8.7	17.2

2. During the Commonwealth Caribbean-Canada conference in Ottawa in July, 1966, I announced to the representatives of the Caribbean countries that it is "the intention of the Canadian government to expand the level of its aid to developing countries in the light of economic and other relevant circumstances. Commonwealth Caribbean countries have been among the major recipients of Canadian aid in the past and I am in a position to assure you today that you will continue to receive on appropriate terms in future years, a very significant portion of Canada's expanding resources... To give you a more precise idea of Canadian intentions I would like to say here that we would expect our total annual aid effort in the Caribbean over each of the next five years to reach at least the level of our aid in the current fiscal year or a total for the period of more than $65 million... If, as we are confident can be done, good and practicable projects can be worked up for a still larger amount, the Canadian government will be prepared to increase its aid substantially above that figure during these five years". This statement continues to embody the government's intentions with respect to the Caribbean aid program.

APPROVAL OF NON-PAYLIST ALLOTMENTS

Question No. 720—**Mr. Bell (Carleton):**

1. Were the treasury board decisions listed in the first column of sessional paper No. 41A dealing with non-paylist allotments from finance vote 15 during 1966-67 approved by the governor in council?

2. If so (a) on what dates (b) what are the numbers of the orders in council so approving the decisions?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): 1. No.

2. N/A.

Questions

SALE OF GOVERNMENT ANNUITIES

Question No. 725—**Mr. Bell (Carleton):**

1. Has the government ceased the sale of annuities issued pursuant to the Government Annuities Act?

2. If so (a) as of what date (b) for what reasons?

3. (a) When was this annuity service first instituted (b) what was its original purpose or objective (c) does the government consider that this original purpose or objective has now been otherwise achieved and, if so, why?

4. As of March 31, 1967 (a) what was the number of (i) individual contracts (ii) group contracts, issued and (b) in each instance of (i) and (ii) above, what was the total cumulative value of such contracts in force as of the said date?

5. Has there been at any time any net cost to the consolidated revenue fund in the operation of this annuity service and, if so, in what years and in what amounts, if any?

6. During each of the last five fiscal years, has there been any transfer (a) of surplus (b) of unclaimed annuities, to the consolidated revenue fund and, if so, in what amounts for each such year?

7. What are the intentions of the government with respect to contracts now in force?

8. How many persons are now employed in the administration of this service?

9. What are the intentions of the government with respect to the future of such persons so employed?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): 1. No, but salesmen will no longer be employed to solicit business.

2. Not applicable.

3. (a) September, 1908. (b) To encourage thrift and saving for old age. (c) Yes. Facilities for personal saving for old age are more numerous now than they were in 1908. There are also now in existence the old age security program and the Canada Pension Plan.

4. (a) (i) 155,150 (ii) 1,416 (b) Total value at March 31, 1967 was $1,324,518,806 of which approximately $644,000,000 arises from group contracts. Separate accounts for individual and group annuities are not kept.

5. Yes. Total net cost to March 31, 1967 is $26.3 million.

6. (a) and (b):

Fiscal year ended March 31	Surplus transferred to consolidated revenue fund	Unclaimed annuities transferred
1963	$ 417,000	$ 43,000
1964	878,000	33,000
1965	695,000	52,000
1966	1,501,000	98,000
1967	129,000	63,000

[Mr. Benson.]

7. All existing contracts continue unchanged.

8. Head office establishment, 145. Sales offices, 52.

9. The decision to discontinue promotion of the sale of annuities will have little effect on the head office staff. The occupants of any head office positions which may become redundant can be absorbed elsewhere in the department.

Personnel in the sales offices are not public servants. Some will become public servants to staff seven regional service offices; some will be pensioned; and a few will have to seek other employment. Severance pay will be given to persons whose employment is terminated.

PENSIONS OF TEACHERS IN EXTERNAL AID PROGRAM

Question No. 733—**Mrs. MacInnis (Vancouver-Kingsway):**

Will the government adopt a policy of making a contribution to the pensions of teachers working in the government's external aid program?

Hon. Paul Martin (Secretary of State for External Affairs): Teachers serving overseas under the auspices of the external aid office are normally employed under direct contract with the government of Canada. In addition to regular salaries, teachers are paid an overseas allowance which is intended to be sufficiently generous to enable them to continue contributions to their regular superannuation plans in Canada.

Almost invariably teachers are on leaves of absence from their school boards while serving on assignments overseas and their pension rights are maintained.

*MEETINGS TO CONSIDER McIVOR COMMISSION REPORT

Question No. 739—**Mr. Stefanson:**

1. Has the Minister of Fisheries arranged a meeting with representatives from Manitoba, Saskatchewan, Alberta, Ontario and the Northwest Territories to discuss the other aspects of the recommendations made by the McIvor commission to determine which should be implemented besides the recommendation of establishing a fresh water fish marketing board?

2. If so, has such a meeting taken place, who was in attendance and what recommendations of the McIvor report will be implemented?

Mr. Richard Cashin (Parliamentary Secretary to Minister of Fisheries): Mr. Speaker, the answer to the first part of this question

is no. With regard to the second part of the question, it is expected that the federal-provincial prairie fisheries committee will meet early in 1968, and that these questions will be considered at that time.

SPACE RESERVED IN PLACE DE VILLE

Question No. 742—**Mr. McCutcheon:**

1. (a) How much space has the government leased in the newly constructed Place de Ville (b) for what total annual rent (c) at what rate per square foot (d) for what purpose will the space be used (e) when was the lease negotiated?

2. If no lease was signed, what undertaking has the Department of Public Works given to the owner?

Hon. G. J. McIlraith (Minister of Public Works): 1. (a) In Tower "A", 215,163 square feet of office space. In Tower "B", 291,330 square feet of office accommodation and 4,858 square feet of storage space. (b) In Tower "A", the annual rental is $1,037,085.66, for office space. In Tower "B", the annual rental is $1,404,000 for office accommodation and $9,716 for storage space. (c) The rate per square foot is $4.82 per annum for office accommodation and $2.00 per square foot per annum for storage space. (d) The space will be used to house the following departments and agencies: In Tower "A": Office accommodation, The Public Service Commission. In Tower "B": Office accommodation, The National Energy Board; The St. Lawrence Seaway Authority; The Department of Trade and Commerce; The Department of Industry; Canadian Government Committee on Corrections. Storage space: Sergeant-At-Arms of House of Commons; Department of Industry; National Energy Board; Department of Trade and Commerce. (e) The lease for Tower "A" was negotiated in July, 1967, and for Tower "B", in January, 1967.

2. In neither case has a lease been executed but, in both cases, the Department of Public Works has advised the owner of the approval of Treasury Board to enter into a lease.

LOBSTER FISHERY, DISTRICT 8, P.E.I.

Question No. 760—**Mr. MacDonald (Prince):**

1. What was the total weight of lobsters landed in District 8 and the amount of revenue to fishermen in the years 1962, 1963, 1964, 1965, 1966 and 1967?

2. How many persons were employed in lobster fishing and processing in District 8 in 1962, 1963, 1964, 1965, 1966 and 1967?

3. What was the total amount expended in research having to do with the expansion of the lobster fishery in District 8 in 1962, 1963, 1964, 1965, 1966 and 1967?

4. How many persons were employed on a full-time basis in research into the expansion of the lobster fishery in District 8 in 1962, 1963, 1964, 1965, 1966 and 1967?

5. How much will be expended in research having to do with the expansion of the lobster fishery in District 8 in 1968?

6. How many persons will be employed on a full time basis in research into the expansion of the lobster fishery in District 8 in 1968?

Hon. H.-J. Robichaud (Minister of Fisheries):

1.

	Quantity landed	Value to fishermen
	'000 lb.	$'000
1962	7,761	3,214
1963	6,511	3,112
1964	5,976	3,600
1965	4,401	2,490
1966	3,921	2,046
1967	3,338*	2,137*

*Preliminary

2. No. of persons employed in lobster fishery: 1962, 2,964; 1963, 3,003; 1964, 2,923; 1965, 3,114; 1966, 2,858; 1967, not available. No information is available on the number of persons employed in lobster processing in District 8.

3. 1962, $58,000; 1963, $60,000; 1964, $64,000; 1965, $69,000; 1966, $90,000; 1967, $150,000.

4. 1962, 6; 1963, 7; 1964, 7; 1965, 7; 1966, 9; 1967, 9.

5. $175,000.

6. Nine.

TENDERS FOR STORAGE BUILDING, OTTAWA STATION

Question No. 762—**Mr. Code:**

1. Did the National Capital Commission call tenders for the construction of a salt and sand storage building at the Ottawa station complex?

2. (a) On what date and at what hour were tenders opened (b) in whose presence were such tenders opened?

3. (a) What were the names of all tenderers (b) what was the amount of each tender?

4. Which tender was accepted?

5. Did the specifications and general conditions of contract make any requirement that before a tender might be considered it must be accompanied by a bid bond from an approved company or a certified cheque for a percentage of the tender price or Canada bonds having a value of a percentage of the tender price?

6. If so, what precisely was the nature of such requirement in the specifications and general conditions of contract?

7. Did the successful tenderer comply with such requirement?

8. If so, what was (a) the nature, and (b) the amount of the security which accompanied its tender?

9. If not, what were the reasons for exempting the successful tenderer from this requirement?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. Tenders were opened in public on November 16, 1967, at 3:15 p.m., E.S.T., by the secretary of the commission in the presence of both the project officer of the commission and the representatives of the following companies: Fuller Construction Company (1958) Limited; Cooper-Ellis Limited; and Pillar Construction Limited.

3. The tenders were as follows: Canadian National Railways, $10,700; D. W. Boldock, $11,747; J. R. Statham, $15,346; Fuller Construction (1958) Limited, $15,900; Cooper-Ellis Limited, $16,723; Pillar Construction Limited, $17,700.

4. The tender of Canadian National Railways.

5. No.

6. In accordance with paragraph 28, section d, of government contract regulations no bid bond or other security was needed.

7. Not applicable.

8. Not applicable.

9. Not applicable.

QUESTION PASSED AS ORDER FOR RETURN

FEDERAL EXPENDITURES IN CAPE BRETON

Question No. 575—**Mr. Saltsman:**

What has the federal government spent in Cape Breton, in aggregate, in the seven fiscal years ending March 31, 1967, in the following expenditure categories (a) coal mining subsidies and subventions of all kinds (b) reconstruction of Louisburg (c) Cape Breton national park (d) roads to resources, including Cabot trail (e) unemployment insurance to fishermen (f) fishing industry subsidies generally (g) construction or reconstruction of docks, harbours, breakwaters and dredging (h) assistance to industries in designated areas?

Return tabled.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motion Nos. 32, 34, 35 and 36 are acceptable to the government, subject to the usual reservations concerning privileged papers and authorization by the governmental authorities concerned, as the case may be.

Mr. Speaker, I ask that the remaining motions be allowed to stand.

[*English*]

Mr. Deputy Speaker: Order. Subject to the reservations or conditions expressed by the parliamentary secretary, is it the pleasure of the house that notices of motions Nos. 34, 32, 35, and 36 be deemed to have been adopted?

Some hon. Members: Agreed.

SALE OR LEASE OF GRAIN ELEVATORS, QUEBEC

Motion No. 32—**Mr. Ricard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, correspondence or communications exchanged between the Montreal Corn Exchange Association, the Coopérative Fédérée de Québec (Federated Cooperative of Quebec), the Catholic Farmers Union, the government of Quebec and the government of Canada or any department, commission or agency thereof relating to the leasing or sale of grain elevators in the city of Quebec.

Motion agreed to.

URBAN RENEWAL, THETFORD MINES, QUE.

Motion No. 34—**Mr. Langlois (Mégantic):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, correspondence, communications or reports exchanged by the council of Thetford Mines, the Asbestos Corporation at Thetford Mines, the government of Quebec or its representatives, the Thetford Mines chamber of commerce, Mr. Gaetan Théberge, chartered accountant for Thetford Mines and the federal departments or agencies which were consulted regarding the project of urban renewal for the city of Thetford Mines.

Motion agreed to.

CORRESPONDENCE WITH CLEAR LAKE COTTAGERS

Motion No. 35—**Mr. Dinsdale:**

That an order of the house do issue for a copy of all correspondence between the Clear Lake Cottage Owners' Association and the Minister of Indian Affairs and Northern Development during the current year.

Motion agreed to.

DEATH OF PIEGAN INDIAN CHILD

Motion No. 36—**Mr. Dinsdale:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the recommendations by the jury established to investigate the death of 14 month old Ramona Mae Crow Shoe on the Piegan Indian reserve, and all communications with the Department of Indian Affairs and Northern Development arising therefrom.

Motion agreed to.

CANADIAN CONSTITUTION

PROPOSED CHANGE IN DESIGNATION OF FORTHCOMING CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister and ask whether, in view of the apparent broadening of the proposed federal-provincial conference originally called to discuss a bill of rights, he would in fact characterize it as a full scale conference on the constitution rather than a conference on a bill of rights?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not mind considering the changing of the name of the conference. It is true that certain very important questions have been added to the agenda. However, this would require consultation with the premiers of the provinces. I will be glad to initiate that consultation.

Mr. Frank Howard (Skeena): I have a supplementary question, Mr. Speaker. Because of the marked success of the confederation of tomorrow conference and the fact it was held in public, would the Prime Minister consider holding the coming federal-provincial conference "on camera", as prime minister Johnson put it, and not in camera?

Mr. Pearson: I think I said, Mr. Speaker, that the maximum amount of publicity should be given to a conference of this kind but, as the chairman of the conference pointed out, it was a conference which was not negotiating or discussing any proposals but at which an exchange of views took place. It therefore particularly lent itself to maximum publicity. I think that kind of conference should be held in public.

Inquiries of the Ministry

NOVA SCOTIA

FEDERAL FINANCIAL RESPONSIBILITY FOR CONTINUED OPERATION OF STEEL MILL

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that legislation is now before the Nova Scotia legislature to validate an agreement between the government of that province and Dosco for the acquisition of the Sydney steel mill, and in view of the awesome financial obligations which will be involved, have there been any discussions between the government of Canada and the government of Nova Scotia in which the federal government was asked to assume some of the financial responsibility for keeping the steel plant open beyond April 1968?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, there has been no discussion as yet on that particular point. I expect to hear from the premier of Nova Scotia as soon as the legislature has completed its discussion of this matter, and I have indicated to him I will be glad to see him at that time.

Mr. Douglas: I have a supplementary question for the Prime Minister. Has the government of Nova Scotia asked for any financial assistance prior to introducing this legislation?

Mr. Pearson: The government has asked to meet me and representatives of the federal government to discuss the whole situation as soon as the legislature has completed its work in Halifax.

[*Translation*]

EXTERNAL AFFAIRS

REPORTED TRIPS TO CUBA BY QUEBEC SEPARATISTS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the hon. Secretary of State for External Affairs.

Last Monday I put a question to the minister on certain separatists who travel from Quebec to Cuba and the minister answered at that time that he would find out and advise me in a day or two on these comings and goings. Is the minister in a position to say something on this today?

Inquiries of the Ministry

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I can give the hon. member the assurance that the government is watching this thing closely.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question.

Could the minister make shot-guns available for those who would go witch-hunting?

[*English*]

NATO—POSSIBLE CHANGE IN CANADIAN COMMITMENTS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for both the Secretary of State for External Affairs and the Minister of National Defence. Does Canada propose at the NATO ministerial meeting to be held next week to request any changes in its commitments under or contributions to NATO?

Hon. Paul Martin (Secretary of State for External Affairs): Not in its commitments, Mr. Speaker. We will be discussing force levels with other countries.

Mr. Harkness: May I ask a supplementary question. Is the minister able to give any indication to the house of what change Canada may be asking so far as our force goals are concerned?

Mr. Martin (Essex East): As my hon. friend knows, and as I think he said on one occasion when he was asked a similar question, until this matter has been discussed with members of the alliance it is not possible at this stage to give an indication.

FINANCE

REQUEST FOR DETAILS OF PROPOSED REDUCTIONS IN ESTIMATES

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. When he takes part in the budget debate tomorrow, as he has stated it is his intention to do, does he intend to outline in detail the proposed reductions in the 1967-68 estimates?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): My hon. friend will have to wait until I speak tomorrow night.

[Mr. Caouette.]

Mr. Hees: I have a supplementary question, Mr. Speaker. Is the minister not aware of the reply given to me by the Minister of Finance to a question I put to him in the house on November 15?

Mr. Deputy Speaker: Order, please. The hon. member is now starting an argument.

Hon. E. D. Fulton (Kamloops): I have a supplementary question, Mr. Speaker. In the light of the fact that the Minister of Finance did assure the house that the Minister of National Revenue would give these details, is he not perhaps more disposed now to give us the assurance asked for by the hon. member for Northumberland?

Mr. Benson: I will be pleased to give details tomorrow night.

REQUEST FOR COMPENSATION FOR CANADIAN RECIPIENTS OF U.K. PENSIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Finance. I am asking this question at the request of two charming widows who represent a number of Canadian citizens who are in receipt of pensions from the British government and who find themselves suffering from the most recent devaluation of the pound. My question is, is there any legislation or are there any regulations that permit the government to compensate Canadian citizens who are in receipt of old age or disability pensions from the British government?

Hon. Mitchell Sharp (Minister of Finance): I should like to reply to the charming member for Kootenay West by saying that I will take the question as notice and discuss it with my colleague the Minister of Veterans Affairs.

NATIONAL CAPITAL

INQUIRY AS TO ESTABLISHMENT OF JOINT PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question I should like to ask the Minister of Public Works in his capacity as the minister reporting for the national capital area. Can the minister indicate today the approximate date it is intended to set up a parliamentary committee on the national capital area?

Hon. G. J. McIlraith (Minister of Public Works): Yes, Mr. Speaker; early next year.

TRANSPORT

BRITISH COLUMBIA—REQUEST FOR ALTERNATIVE FERRY SERVICE ON NORTHWEST COAST

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Transport. In view of the fact that the premier of British Columbia has disregarded the legitimate interests of the people on the northwest coast of British Columbia by refusing for the time being to put back into service the ferry *Queen of Prince Rupert*, can the minister undertake to look into this question to ascertain whether his department can provide any means of transportation between the two areas formerly served by the *Queen of Prince Rupert*?

Hon. Paul Hellyer (Minister of Transport): I will be glad to take this question under advisement.

PUBLIC SERVICE

REQUEST FOR RECONSIDERATION OF BOXING DAY HOLIDAY

On the orders of the day:

Hon. R. A. Bell (Carleton): May I ask the President of the Treasury Board if the Treasury Board and cabinet would not reconsider the decision to deny the public service the customary Boxing day holiday.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, the public service have as holidays New Year's day, Good Friday, Easter Monday, Victoria day, Dominion day, Labour day, Thanksgiving, Remembrance day, Christmas day and one other day chosen by the deputy head. This day may be Boxing day for some people in the public service. I should like to indicate that the extra day's holiday would cost between $4 million and $5 million, which I think is too much.

[*Later:*]

Mr. R. A. Webb (Hastings-Frontenac): I wish to direct my question to the Minister of National Revenue. Since the minister has stated that the Boxing day holiday for civil servants will not be allowed because of the cost, I wish to ask him whether he has estimated the cost of the lush party that is to be held on parliament hill on Friday night, which will only affect a small segment of the Canadian people.

Mr. Benson: I have not the details, but of course the matter falls within the purview of the Secretary of State. The amount of money that is involved is very, very small when compared with the amount of money involved with respect to the first part of my hon. friend's question.

[*Later:*]

Mr. Benson: I should like to complete my answer to the hon. member for Hastings-Frontenac. I have been informed that the party being held Friday night is to encourage children in Canada to make gifts in kind and in money to assist international children's agencies, in the hope that similar meetings will be held across the country. I am sure the hon. member would be in favour of this objective.

LABOUR CONDITIONS

INQUIRY AS TO ACTION TO MEET UNEMPLOYMENT SITUATION

On the orders of the day:

Hon. George Hees (Northumberland): I should like to direct a question to the Prime Minister. In view of the fact that the number of Canadians unemployed increased by 20 per cent during the last 12 months and increased by 14 per cent during the four weeks between October 15 and November 11—

Mr. Deputy Speaker: Order, please. Perhaps the hon. gentleman would put his question.

Mr. Hees: Yes, Mr. Speaker, I was just getting to that. Does the government intend to introduce, before the Christmas recess, measures which will stimulate employment and the economy of this country?

Right Hon. L. B. Pearson (Prime Minister): My hon. friend, as sometimes happens, has his percentages wrong. The increase in question was referred to by the Dominion Bureau of Statistics as relatively small. The increase is, of course, to be regretted, but my hon. friend, will I know, take some satisfaction from the fact that the figures are much lower than they were when he was minister of trade and commerce.

Mr. Hees: May I ask a supplementary question, Mr. Speaker. Has the Prime Minister read the release from the Dominion Bureau of Statistics, "Labour force, employment and unemployment"—

Mr. Deputy Speaker: Order, please. The hon. gentleman is now entering into an argument.

Inquiries of the Ministry

Mr. Hees: I am putting a supplementary question.

Mr. Pearson: I have read it; I have it with me.

Mr. Hees: I rise on a question of privilege, Mr. Speaker. The Prime Minister intimated that I used incorrect figures. I wish to indicate to him that I have used the correct figures. In a government release which was available to all members of parliament—

Mr. Deputy Speaker: Order. The hon. member is now entering into an argument.

Mr. Hees: This is a question of privilege, Mr. Speaker, I intend to show the Prime Minister that I used the correct figures. On page 2 of the release which was made available to members of parliament today the number of unemployed is listed as follows: on November 11, 1967, 289,000; on October 14, 1967, 254,000—

Mr. Deputy Speaker: Order, please. I am sure the hon. member is well aware that a dispute over facts does not comprise a question of privilege.

Mr. Hees: Finally, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Hees: —on November 12, 1966 the figure was 238,000.

Mr. Deputy Speaker: Order. I would ask the hon. member for Northumberland to put his question.

Mr. Hees: Mr. Speaker, my question is this. Does the right hon. Prime Minister not realize that, using the figures produced by the government today, the percentage increases in unemployment are exactly as I specified to him? I therefore ask what the government is going to do about meeting these conditions.

Mr. Pearson: Mr. Speaker, on the question of privilege—I gather that is what my hon. friend is speaking to—I should like to quote from the joint report of the manpower department and the Dominion Bureau of Statistics issued today. The report indicates that the increase in unemployment is relatively small, and that the November figure of unemployed represented 3.8 per cent of the labour force as compared with 3.3 per cent in October and 3.1 per cent a year ago. The report added that the non-farm employment rose by 40,000 between October and November, which it called an above average increase.

[Mr. Deputy Speaker.]

Mr. Hees: Mr. Speaker, I would ask the Prime Minister to continue reading the report, for if he does so he will see the figures I mentioned a few moments ago. These figures show the increases in unemployment as I have outlined them. I want to know what the government is going to do about the seriously growing unemployment situation in this country, and I should like an answer.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please.

NATIONAL DEFENCE

NORAD—POLICY CHANGES IN PROPOSED RENEWAL OF TREATY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. I should like to ask the minister whether it is correct that the cabinet has decided to sign a further five year treaty in regard to Canada's participation in NORAD. If so, is the minister prepared to advise the house whether there are any policy changes in the contemplated new agreement in view of the decision of the United States to establish anti-missile stations along the Canadian border within 150 miles of major Canadian cities?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there has been a preliminary meeting with the United States over this matter, but it would be inaccurate to say negotiations are really under way. Until such time as we have a clearer picture there is nothing I can say to my hon. friend's question.

Mr. Winch: A supplementary question to the Secretary of State for External Affairs. Would the minister tell this house whether information is correct to the effect that the government of Canada has reached a decision to step out of NATO and NORAD and is contemplating signing an agreement to that effect?

Mr. Martin (Essex East): I cannot add to what I have already said. There has been a preliminary meeting and discussion with the United States about NORAD. A great deal would depend on our discussions and negotiations before I could give any final response to my hon. friend's question.

Mr. Winch: A further supplementary question, Mr. Speaker. Would the minister answer that part of my question which had to do with NATO? Has there been any agreement by the cabinet that Canada will step out of NATO? Is that matter on the agenda next week and will it be discussed? Is Canada to step out of NATO? That is what I am asking.

Mr. Martin (Essex East): There is no terminal arrangement for membership in NATO. In 1969 countries may give notice of their intention not to participate. Canada is a member of the North Atlantic Treaty Organization, and there is no change in policy in that regard.

Mr. Frank Howard (Skeena): A supplementary question to the Minister of National Defence. May I ask the minister whether the Bomarc missiles that are presently in Canada are in the process of being removed, or whether they have been removed and will be replaced by something else.

Hon. Léo Cadieux (Minister of National Defence): There is no change in the situation with respect to Bomarc missiles at the present time.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MISSION FROM DEVELOPING COUNTRIES

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, while I am on my feet I should like to call your attention to the fact that in the Speaker's gallery today are the members of a good-will mission from developing countries who are here preparatory to the UNCTAD meeting to be held in Delhi some time in the next few months. There are distinguished representatives from Brazil, Ghana, Pakistan, Venezuela, Chile and Thailand. I am sure we are very glad to have them in our country.

Some hon. Members: Hear, hear.

[*Translation*]

NATIONAL SECURITY

THEFT OF ARMS AT CAP DE LA MADELEINE, QUE.

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Solicitor General of Canada. I want to ask him if the Royal Canadian Mounted Police has been called in to investigate the theft of shotguns which took place during the last week-end at Cap de la Madeleine?

[*English*]

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, may I take that question as notice.

AIRPORTS

PROTEST RESPECTING ALLEGED MONOPOLY TAXI SERVICE

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I wish to direct a question to the Minister of Transport. Yesterday, when we were discussing competition between Canadian Pacific Airlines and Air Canada the minister said, as reported on page 5060 of *Hansard*:

> There are a lot of people who think a little bit of opposition is very healthy, both on international and domestic routes, and that it helps to keep air lines on their toes in providing the kind of services to which the travelling public is entitled.

I wish to ask the minister when competition will be offered to the monopoly taxi firms which operate out of Malton airport, Dorval airport and in Vancouver at the present time.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I am having these statements carefully analysed in order to determine the degree of consistency or otherwise in respect of the principle involved.

[*Later:*]

Mr. M. W. Martin (Timmins): I have a question for the Minister of Transport having to do with the taxi service from airports and related to the question posed by the hon. member for York-Humber. Is the minister aware that passengers now have to wait in the limousines leaving Ottawa airport for as long as it takes to fly from Toronto to Ottawa? Does he think this is an attempt to drive people from the limousine service to the taxi service, in which the firm concerned also has a monopoly?

Mr. Hellyer: I will be pleased to receive details from the hon. member with regard to specific instances when he felt there was inadequate service, and consider them with a view to determining where the service could be improved.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I put a supplementary question?

Inquiries of the Ministry

Would the minister check at the same time whether it would be possible to organize a second flight from Montreal to Ottawa, Val-d'Or and Rouyn-Noranda?

[*English*]

Mr. Hellyer: Yes, I shall be glad to check on the level of traffic generated between those two points and determine whether it would justify an additional flight.

TRADE

SHOES—ALLEGED DUMPING BY COMMUNIST COUNTRIES

On the orders of the day:

Mr. A. D. Hales (Wellington South): In the absence of the Minister of Trade and Commerce I wish to direct my question to the Minister of Finance. In view of the statement by members of the shoe industry of Canada that they are unable to surmount the import situation because of lack of federal co-operation and action with respect to dumping by communist countries, what action does the government propose to take in order to relieve this most important industry, which employs many Canadians?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Perhaps I might answer this question, Mr. Speaker. I have some correspondence about this matter on my desk, and I ask the hon. member's permission to take his question as notice. I shall try to answer tomorrow.

CANADIAN NATIONAL RAILWAYS

POSSIBLE DISCONTINUANCE OF MAIL TRAIN BETWEEN MONTREAL AND TORONTO

On the orders of the day:

Mr. Raymond Rock (Jacques-Cartier-Lasalle): My question is for the Minister of Transport. Is the Canadian National thinking of discontinuing the mail train between Montreal and Toronto early next year. If so, why?

Mr. Deputy Speaker: Order, please. I think the hon. member's question might be placed on the order paper.

CANADIAN PACIFIC RAILWAY

REPLY TO PROTEST RESPECTING LAY-OFFS OF SHOP WORKERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct my question to the Minister of Transport. In view of the telegrams that are continuing to come from trade unions that represent Canadian Pacific Railway shop workers, can the minister say whether he has yet had a reply from the Canadian Pacific Railway to his representations concerning the lay-offs between Christmas and New Year's?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker. The reply in part reads as follows:

National and local union leaders were informed three to five days prior to the closure notices being posted in the three shops, in an effort to give as much advance notice as possible and to explain the reason for the closure.

The employees concerned have been assured that the temporary closure does not involve either the Christmas day holiday or the New Year's day holiday, and, as a result, holiday pay will be granted to all those who qualify.

To qualify for holiday pay under the Canada Labour Standards Code and the collective agreement which applies, an employee must have been in the service of the company for at least 30 calendar days and must have been entitled to wages for at least 15 days in the 30-day period preceding the holiday.

As a result, we believe that nearly all of the employees affected by the temporary shop closures should qualify to receive holiday pay for Christmas day and New Year's day.

Mr. Knowles: A supplementary question, Mr. Speaker. Was there any reply to the representation that I assume the minister made with respect to the loss of the four days themselves?

Mr. Hellyer: So far as I know there has been no reaction to that. Something might have come to my office in the last few hours, but so far as I know I have received nothing directly.

Mr. Knowles: Will the minister follow up the matter?

Mr. Hellyer: Yes, I shall continue to monitor the situation. I might also add that 22 days' notice was given instead of the four days that are required by the contract. This amount of notice, too, was appreciated and helped to ameliorate the shock of having four days less pay at such a critical time of year.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Would the minister look into the complaints which are being made by many railway workers and determine whether it is a coincidence that the four day lay-off has come at the same time the workers are to receive their

retroactive pay? In other words, is the company saying to the workers that they have to toe the line?

Mr. Hellyer: Mr. Speaker, some questions do arise in my mind. Of course I shall be pleased to further investigate these allegations, but since this is a private company, which does not come within my administrative responsibility, I think there is some limit to the extent to which I can attempt to answer questions on its behalf. I shall of course be glad to pass on to the company any representations I receive, and I shall relay the answers to my hon. friend.

Mr. Orlikow: May I direct a further supplementary question to the Minister of Labour. Will the Minister of Labour see whether this lay-off constitutes an unfair labour practice? I know that suggestion has been made to him.

Hon. J. R. Nicholson (Minister of Labour): I shall be glad to look into this matter. My first reaction would be that since 22 days' notice was given, there has been no unfair practice.

EXPO '67

STATEMENT ON GRANTING OF SEVERANCE PAY

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to answer two questions on behalf of the Minister of Trade and Commerce (Mr. Winters). The first question, by the hon. member for Fraser Valley, had to do with severance pay at Expo '67.

I am advised by the corporation that provision was made in initial planning, in 1963, for continuity payments to employees who remained with the corporation throughout the time required, in excess of one year, to complete their respective tasks. The purpose of such provision was to avoid disruptions which might have occurred from lack of continuity of employment within the staff of the corporation.

The federal government's share will be 50 per cent of the total amount of payment, which has not as yet been determined.

TRADE

STATEMENT ON SIGNING OF INTERNATIONAL GRAIN AGREEMENT

On the orders of the day:

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): The second question was from the hon. member for Rosetown-Biggar and had to do with the number of countries which have signed the international grain agreement. As of now the number is 31. This number includes all the major wheat exporting countries and a significant number of major importing countries such as Britain, Japan and the European Economic Community.

It is not unusual for governments to accede to international agreements of this type after the deadline for signing and even after the agreement has come into effect. We have already received indications that some of the governments which did not sign for administrative or other reasons are giving consideration to acceding, and we are hopeful that the membership of the 1967 arrangement will reach or exceed the membership of the current international wheat agreement, which was 49 countries in November of this year.

ROYAL CANADIAN MOUNTED POLICE

POSSIBLE REMOVAL FROM TRAFFIC DUTY AT AIRPORTS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question for the Solicitor General. Is it correct that the minister intends to remove R.C.M.P. officers from traffic duties at Malton and other airports in order to save highly trained personnel for other purposes?

Hon. L. T. Pennell (Solicitor General): We conduct studies from time to time to determine how the mounted police can be put to the best use. As the present moment there are no plans to move any of the constables from Malton airport. However, this is part of an over-all study.

BUSINESS OF THE HOUSE

REQUEST FOR JOINT MEETING OF EXTERNAL AFFAIRS AND DEFENCE COMMITTEES

On the orders of the day:

Mr. Harold Winch (Vancouver East): I have a question for the Secretary of State for External Affairs. It is my understanding that the minister and his colleague the Minister of National Defence will be returning from the NATO meeting on December 15. May I ask whether it is the intention of both ministers to call a joint meeting of the external affairs committee and the defence committee to make a report immediately on their return, or will such a meeting be postponed until

after the Christmas recess? I ask this question because it is my understanding that both ministers feel there should be a joint meeting. Will a meeting be called prior to the recess, or will it be postponed possibly for a month or two months?

Hon. Paul Martin (Secretary of State for External Affairs): I am sure the chairman of the committees concerned will take notice of the question put by the hon. member. I think the suggestion implicit in the question is a good one.

BILINGUALISM AND BICULTURALISM

REQUEST FOR PUBLICATION OF COMMISSION RESEARCH MATERIAL

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): I should like to ask the Prime Minister whether the government would consider publishing and making available to hon. members and to the public who pay for it the research material which led the B and B commission to make its recommendations.

Right Hon. L. B. Pearson (Prime Minister): I understand the commission intends to make all its research material available when it is completed. I doubt whether research material is specially allocated to the particular volume which has just been made public, but I will be glad to look into that.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, November 30, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. J. W. Monteith (Perth): Last Thursday evening I commented briefly on the budget and on what, in my opinion, had been the cause of it all. I said at that time that it all came down to one basic fact, that the government has been grossly overspending.

This whole sorry mess started with the profligate spending which got under way the moment this government took office in 1963. It was obvious to those of us who at that time had recently been on the treasury benches that there was a complete change of attitude. The taxpayers' money was no longer considered to be of any consequence. It was a bureaucratic approach. Many of the ministers in that new cabinet had spent long years in bureaucracy and were accustomed to planning our lives as they saw fit, telling us what we should have and then taxing the Canadian citizens to pay for it. How many of those who sit on the government's front bench had ever stood behind a counter or run a farm or operated a small business or met a payroll?

Mr. McIlraith: Many have.

Mr. Monteith: I have. They were convinced they knew best, and that all the taxpayer had to do was pay for the government's plans, experiments and dreams.

Mr. Dinsdale: Nightmares.

Mr. Monteith: I should like to review briefly the spending of this government since it took office. May I point out that the figures I am using are taken from the budget papers for the years indicated, except for 1968-69 which are the minister's own estimates. The 1967 figures are from supplementary estimates G for that year.

In the first full year in office, 1964, government expenditure amounted to $6,872.4 million. This was an increase of 4.6 per cent over the 1963 figure of $6,570.3 million. In 1965 we saw a very definite trend develop. Expenditure increased to $7,218.3 million, an increase of 5 per cent over the $6,872.4 million figure. In 1966 we find a further increase of 7.1 per cent to $7,734.8 million.

Now, Mr. Speaker, there had apparently been so little complaint concerning the increased taxes required to pay for these increased expenditures that the government really went all out. This is where the march toward disaster really began. In 1967, expenditures jumped to $8,795.6 million. This represented an increase of 13.7 per cent.

Some hon. Members: Oh, oh.

Mr. Monteith: The minister's estimate for 1968, given to the provincial ministers of finance at the recent meeting amounted to $9,850 million. Here is an increase of 12 per cent. I would point out that a finance department release of November 24, 1967 shows that the expenditures to date in the 1968 financial year are running 15 per cent over last year. Here we have a true indication of just how this government has disregarded the galloping growth in expenditure.

• (3:20 p.m.)

Mr. Sharp: The hon. member wanted to spend more.

Mr. Monteith: Now the minister estimates that the expenditure for 1969 will be $10,300 million. There are no cuts, as we have been led to believe. Actually there is an increase of 4.5 per cent over the 1968 figure. Here is an illustration of the incomprehensible attitude of the government toward spending, and its ruthless disregard of the fact that the spending is now out of hand.

I should like to deal briefly with the manner in which the minister and the government are attempting to hoodwink the public with regard to spending cuts. First let it be made very clear that there are no cuts in next year's expenditures. The minister has stated that they will be 4.5 per cent over those of the present year; that is, the expenditures in 1968-69 will be 4.5 per cent over the expenditures for 1967-68. This is a point which the public should keep in mind when the government talks glibly about cutting back. There are no cut-backs; there are only increases.

The minister says that the details of the cuts will be given by the President of the Treasury Board (Mr. Benson). What cuts? Does he mean the cuts in the 1968-69 estimates? The 1968-69 estimates have never been tabled in this house, and until they have been tabled they cannot be discussed. If they are discussed, they must be tabled so that parliament will have them before it. We cannot embark upon a responsible financial discussion on the basis of figures which exist only in the realm of fantasy.

We have dealt with the estimates for 1967-68. The estimates for 1968-69 are not before the house; they have not been tabled. There has been no motion to go into supply; yet, the minister proposes to put before parliament a lengthy discussion dealing with various estimates still to come, and presumably cuts to be made. How does it advance parliament to have the government say here: We have saved a lot of money because we have decided not to go ahead with a number of things which we could have gone ahead with if we had wanted to go ahead with them.

Mr. Sharp: Has the hon. gentleman changed his mind about old age pensions?

Mr. Monteith: That is simply ridiculing parliament. Everyone knows how estimates are drawn up. They are drawn up in the departments. The officials lay down their requirements and meetings are held with Treasury Board officials. Invariably the requirements are reduced in whatever proposition the government of the day thinks best. Up to that point, however, the estimates have no official existence. It is simply a travesty for the minister to come here and place before this house the results of the discussions at the official level.

The estimates have no official existence until passed by Treasury Board and printed in the blue book. If they have been printed in the blue book they should be tabled, and we should go into supply in order to discuss them in the way provided under our rules. If they have not been printed and approved, then they do not exist and we cannot waste the time of this house discussing matters which, as I said, are in the realm of pure fantasy, because the government wants to appear as though it is saving when it really is spending recklessly. The government is not making any cuts; it is still increasing expenditures. This kind of procedure is out of order and is a hoax on all Canadians.

Mr. Sharp: Do you not agree with your leader?

Mr. Monteith: If the government wants to show that it is cutting back on expenditures, let it come before this house with the 1967-68 estimates in printed form. Let it show how much it has reduced the items in those estimates, which are now running 15 per cent above last year. Let this government point out in detailed form what it has cut out or by how much it has reduced the estimates which currently are operative. They said they had reduced the estimates for 1967-68. Those presumed reductions have never been made known. We asked for them when these particular estimates were before parliament for discussion. The fact is that not one single cent has been cut either in 1967-68 or in 1968-69 from the estimates passed by Treasury Board. The minister knows it. He should stop trying to hoodwink the people of this country.

The government has followed a policy that is unrealistic and lacking in honesty. In order to meet the figure of expenditure, namely the $10,300 million which has been proposed, the minister is having to increase personal taxes on the small taxpayer.

Mr. Sharp: That is not so.

Mr. Monteith: Certainly it is. He does not say why he stops this surcharge at the $50,000 income mark, but it is obvious that he intends to take his required money from the average taxpayer.

Mr. Sharp: Mr. Speaker, could I ask a question of the hon. gentleman? It is just for correction, because I do not think he meant to say what he said.

Some hon. Members: Oh, oh.

Mr. Monteith: If the minister has a question of privilege, then let him rise and put it, rather than put it in the form of a question. I did not interrupt him the other night when he was speaking.

I have mentioned that this government has simply taxed in order to pay for what it believes the people of Canada should have, and not what the people of Canada want. We have the minister saying that an ounce of prevention is worth a pound of cure. Why did he not think of this when he first became minister, or show a semblance of responsibility at the time he was minister of trade and commerce by objecting then to the steps which were being proposed by his colleagues.

He is now lecturing the people of Canada on how they should behave in the circumstances in which we find our economy. The people of Canada must skimp and save. In fact, the minister has been lecturing us ever since he took office. What of the people who, on the assertions of the minister over the past two years, have taken him at his word and have been led to believe they never had it so good? What of those who have on his assurances decided they could afford to buy a house, a car or some other necessities, and now find they are obligated for debts in this respect, with ever and ever increasing interest rates? The minister has not considered these people when he has been continuously increasing taxes. They must meet their obligations with less and less money, because of this government's incessant desire to take away their tax dollars.

• (3:30 p.m.)

Let us look at the plight of a typical Canadian family. Inflation has cost the average Canadian family hundreds of dollars since 1965. The consumer price index stood at 150.5 in October of 1967, based on the 1949 figure of 100. It hovered just over 150 for four months. In December of 1965 the index was 140.8. This indicates the fabulous jump of 10 points in less than two years. This means that every wage earner has lost plenty because of the depreciation of the dollar.

Someone earning $5,000 as of December, 1965, is now receiving only $4,666. What does this mean to the average person? Let me give an illustration from the taxation statistics for the year 1965, which are the latest available, by referring to my home city of Stratford. The average income of those in Stratford who paid income tax was $4,527. They paid an average of $485 in income tax, leaving $4,042 to live on, to pay interest, municipal taxes, rent, food, clothing and all other miscellaneous expenses. Granted, they probably have had some increases in income since then.

Supposing someone was receiving the same number of dollars today as he received in 1965, as is probably the case in respect of many on fixed income. Do you realize how much has been lost to that individual, even without taking into account the change in the level of taxation? That $4,042 figure in 1965 is worth only $3,772 today. Rising costs have gobbled up $270 of that average taxpayer's income. Let us not forget that this is based on the 1965 figure and the tax being collected at that time. Since then this government increased personal income tax in March and in December of 1966. Without taking into account the increases in taxation of March and December 1966, or the increase which is to be put on now, that taxpayer with an average income of $4,527 has $3,772 left today because of inflation. On the basis of today's taxation this would be much less.

The government proposes to increase taxes again. Is it any wonder the average Canadian citizen cannot make ends meet? It is my claim that this government is responsible for the situation. The minister says he is going to eliminate budget deficits as nearly as possible for next year. There must be a clear understanding about cutting back of government expenditures.

Mr. Sharp: Now you are opposing this?

Mr. Monteith: The minister has been talking for weeks about cutting back.

Mr. Sharp: Without any encouragement from the other side.

Mr. Monteith: The other night he was forced to admit that he could not cut back, but could control the amount of increase. I do not believe he can even do that.

Mr. Sharp: Not with the support of the opposition.

Mr. Monteith: The minister has placed a surtax of 5 per cent on Canadian taxpayers to meet his cash situation. I want it clearly understood, and this is in reply to the interjection by the minister a moment ago, that this party is not against government spending for productive, positive projects. There is nothing new about that stand which was made clear by the leader of this party in his recent speech on a supply motion. What we are against is waste, uncontrolled and undisciplined spending for the sake of spending of the kind indulged in at least up to now by this government.

The minister gave corporations a refundable tax. I am sure that the individual Canadian taxpayer would appreciate a refundable tax, but as usual this Liberal government has come down heavily on the individual. Actually, corporations have come out best in this whole deal. They do not face any increase in taxes like Mr. Average Canadian faces. Even though corporations are going to pay their income tax some two months earlier than formerly, they are definitely going to receive the refundable tax which was levied on them after the 1966 budget. If this government remains in office much longer these corporations will probably be paying current taxes in advance of the year in which they are applicable. Could not the minister have considered the plight of the average taxpayer and made this 5 per cent surcharge refundable? This could then have given a lift to the economy when the government, if ever, dropped the 5 per cent surcharge, and again when it was refunded.

Let us review briefly the history of this government's taxing policy since it assumed office in 1963.

Mr. Stanfield: Oh, we can't stand that.

Mr. Monteith: This started with the ill-fated effort of the hon. member for Davenport (Mr. Gordon) in June, 1963, and I will not outline all the backing and filling in which the minister of that day subsequently had to participate. Let me remind the house that this policy was full of wild experiments and partisan jibes. Let me further point out exactly how that budget was the first step taken by this government toward the calamitous state in which we find the economic affairs of Canada today. I am not going to enumerate all the various and somewhat minor changes,—and most of the major changes suggested by the minister of that day were abandoned,—but I should like to bring to your attention and recall that in the budget of 1963 the minister proposed an 11 per cent sales tax on building materials and machinery. Under pressure this was subsequently amended to 4 per cent to March 31, 1964, 8 per cent to December 31, 1964 and 11 per cent thereafter.

Mr. Sharp: Because of the big budgetary deficit of the previous Conservative government.

Mr. Monteith: This government was warned then that it was contributing toward the inflationary trend and would substantially increase the cost of housing and construction as a whole. I remember the Minister of Finance (Mr. Sharp) getting up in his place, down the aisle a little bit, attempting to defend that budget and the 11 per cent sales tax on building materials and machinery. He is just as responsible as any member of the treasury benches, including the then minister of finance. This house knows that as a result of that 11 per cent sales tax the cost of housing has skyrocketed at the expense of the average taxpayer in Canada.

So far I have only been discussing budgettary matters, but I think at this time I should mention that on September 30, 1963 the old age security tax on personal income was increased by 1 per cent, with a ceiling of $120. This was to cover the increase in old age security of $10 per month which came into effect on the same date.

• (3:40 p.m.)

I think it is fair to point out, however, that it was only as a result of the efforts of the then right hon. leader of the opposition that the government was forced to capitulate and grant this increase to our hard-pressed elder citizens.

The net budget was brought down on March 16, 1964. There were no changes in income or sales tax rates. But let us recall that on April 1, 1964, the sales tax on building materials and machinery was increased from 4 per cent to 8 per cent and that as of January 1, 1965, it was to be further increased to 11 per cent.

On April 26, 1965, we had the last budget of the then minister of finance. He gave us a 10 per cent income tax reduction. Despite the denials of the government at that time, it was a pre-election budget; and such, of course, it turned out to be. We all recall the fact that when the house adjourned for the summer recess we were to come back in the early fall, but instead of that the Prime Minister (Mr. Pearson), at the suggestion of

the then minister of finance, decided to go to the country. The government was returned, again in a minority position, and according to the figures I mentioned earlier with regard to increased expenditures, this was about the time those expenditures began to skyrocket. So did taxation.

Following the election the present Minister of Finance brought down a budget on March 29, 1966, the main achievement of which was to restore practically all the tax cuts which had been made prior to the election. He also imposed a refundable profits tax on business. At the same time the minister injected one of his famous exhortations about spending restraints while announcing the government's plans to increase spending which, as I have pointed out, was done to the tune of 13.7 per cent. He has maintained that level of consistency ever since.

Then came the mini-budget which doubled the old age security tax; it went from $120 to $240 per year. That budget also added 1 per cent to the sales tax, which increased from 11 per cent to 12 per cent. This tax increase, covering almost everything, hurt everybody but most of all those in the low income bracket and those on fixed incomes, particularly the recipients of old age security. This was the Christmas present for Canadian taxpayers on December 19, 1966.

Mr. Grafftey: Scrooge.

Mr. Monteith: Then on June 1, 1967, came the next Sharp budget.

An hon. Member: It was sharp, all right.

Mr. Monteith: It was described by the press as a "do nothing" budget. It did nothing concrete about inflation; it did nothing to reduce taxes; it did nothing for the farmer, the businessman or the consumer. The white paper said that prices rose 4.6 per cent during the year. The budget did nothing about that. All it did was exhort Canadians, not the government, to tighten their belts.

Now we find the minister in a familiar position where he must bring in another face saving budget to correct the omissions of his last budget. Last Thursday night, when he was delivering his so-called budget message to the House of Commons, one gained the impression that he was doing his level best to explain away the predicament we are in, so that Canadian citizens would believe there are circumstances afoot over which he really does not have any control.

[Mr. Monteith.]

I admitted last Thursday evening that there is turbulence in the financial and economic community at large. But upon re-reading his message I cannot help but believe that the government has obviously been working on a razor's edge in its fiscal policies. The minister admitted that his cash reserves were at rock bottom until new cash was obtained and he had great difficulty borrowing on the financial markets. He now says that in the next 16 months he will be going frequently to the money market.

Once again we will have the government siphoning off for non-productive purposes capital which might far better be made available for the development of this nation. Everybody knows the increases in taxation which the minister imposed in the budget he delivered the other evening, so I will not enumerate them again. I simply say that they are to the detriment of the average Canadian and are as a result of gross mismanagement by this minister and his government.

Some hon. Members: Hear, hear.

Mr. Starr: Resign.

Mr. Monteith: There are so many criticisms to offer on the mismanagement by this government that really I cannot cover them all, or come close to doing so. I suggest that my colleagues who follow me in this debate will be dealing with them in some detail and will in specific instances lay before the government evidence of how they have been completely incompetent in handling the affairs of this country.

I should like to quote briefly some statistics to indicate that the trend this government has taken is at the expense of our economic situation as a whole, and the individual Canadian. These, Mr. Speaker, are some of the figures. Federal government spending was 15 per cent higher for the first seven months of this year. In regard to the number of unemployed, there has been a large increase over the situation of a year ago. Consumer prices in October were 3.6 per cent higher than those of October, 1966. Imports in October were up 5.5 per cent over the same month in 1966. Exports for October, 1967, were down 6.3 per cent compared with October of 1966. Gross national product is increasing at a rate of about 7 per cent, of which about half represents price increases.

Mr. Stanfield: Much more than half.

Mr. Monteith: Wheat shipments in August and September, 1967, were 52 million bushels. Shipments of wheat in August and September of 1966 were 116.7 million bushels.

Some hon. Members: Shame.

Mr. Monteith: One of the important growth indicators, the index of industrial production, rose 2.7 per cent in the first nine months of this year compared with an average of 5.7 per cent over the 20 year period 1946 to 1966. This represents a very definite sag in the index of industrial production.

Mr. Sharp: From the highest levels in our history.

Mr. Starr: This points up that we need a new government.

Mr. Monteith: In the 14 years and a few months that I have been in this House of Commons I do not remember such a unanimous condemnation of a government's handling of our financial and fiscal affairs, nor such unanimous alarm at what the government has been doing.

Mr. Sharp: And I have never heard such a speech, except from the hon. member.

Mr. Monteith: There is also unanimous concern about this budget, which is supposed to rectify the situation. I would like to put on the record, Mr. Speaker, just a few excerpts of editorial opinion across this country to show I am not the only one who feels this way, but that it is the unanimous opinion in the country. I would like to read this paragraph from the *Globe and Mail* of December 1, 1967:

• (3:50 p.m.)

At a time when he is urging restraints on everyone else, he will increase Canadians' taxes to pay for the government's own lack of restrain and to reduce his need for going to a money market where he has already worn out his welcome. There is not an atom of deflation in this budget.

The following statement is from the Toronto daily *Star* of December 1, 1967:

Mr. Sharp bears the responsibility for the fiscal mistakes that were made. He will have to explain to the nation why he removed the ceiling on the rate at which banks lend money and thus contributed to the rise in interest rates.

He will have to explain why he waited so long before trying to cut his deficit.

Now, when he has finally recognized the government cannot go on living beyond its means, he will have to defend a budget that tries to deal with present inflation with future promises.

The Toronto *Telegram* of December 1 wrote the following:

The minister has now revealed what Canadians have suspected all along. The cut in expenditures promised by Ottawa wasn't actually reductions, but rather deletions in departmental estimates that had been before cabinet for approval.

Again in the same editorial we find the following statement:

The time has come when the government should provide direction. The latest taxes announced by Mr. Sharp will have to be boosted still more in next spring's budget to meet the costs of medicare.

The 4.5 per cent hike in spending, to be followed by another increase next year, isn't going to sit well with the Canadian people who are being told to tighten their belts.

As Conservative leader Robert Stanfield said last night: "The whole thing is a costly misjudgment on the government's part that won't help restore confidence in it."

The following is a brief comment from the Hamilton *Spectator* of December 1:

Let's get things back into perspective and see where the government fits in.

It is introducing these additional taxes to bail itself out of a hole, not the people. They are getting no new services for this added sacrifice.

The Windsor *Star* of December 1 wrote the following:

It will be an unpopular budget. It applies to five out of every six income taxpayers and all who smoke or drink. Those of modest means, already living from hand to mouth, will be hit the hardest. They are on the fringe where every dollar counts and already had no money to spare.

The following is an excerpt from the Montreal *Gazette* of December 2:

If Mr. Sharp were to take away the new tax dollars, and set them carefully aside, so that the people could not spend them and so that the government would not spend them itself, then this would make clear sense as an anti-inflationary measure. But every dollar that will be taken in the higher taxes will be spent. Why is government spending supposed to be less inflationary than private spending?

The government explains that the new tax money will enable it to reduce its deficit. It will need to go to the bond market for less borrowing. This will reduce the pressure on the bond market, and may result in lower rates of interest.

That is all to the good. But why not accomplish the same end by cutting the government's overspending to the point where the need to borrow would be proportionately reduced?

The following comment is from the Toronto *Globe and Mail* of December 2:

Government policy has unleashed a tiger that is snarling instead of purring and it does not quite know how to handle it.

Then I wish to quote a humorous comment made by George Bain in his column in the

Globe and Mail of December 2. It reads as follows:

It's hard even now to keep a straight face about those economies in government which the Minister of Finance has been promising to bring out of his hat any day—that is, any day for the past two months.

The following is an excerpt from the Toronto daily *Star* of December 2:

The main weight of his mini-budget falls on the back of the ordinary wage-earning family which is already hard-pressed to meet the inflationary rise in living costs.

Further on it continues:

The ordinary wage earner is already having a difficult time coping with the rising cost of housing, food and clothing, caused in part by Mr. Sharp's mishandling of the economy in the past year.

Now he is blithely asked to lay out an average increase of $40 in personal income tax to help pay for the finance minister's miscalculations.

He is also asked to accept the increased risk of unemployment as a direct result of the Sharp budget.

The following is a quotation from the *Financial Times of Canada* of December 4:

The mini-budget is not, as it appears, a futile charge "into the jaws of death, into the mouth of hell". It is an over dramatized package of rather desperate devices to keep the federal government solvent by reducing the gap between expenditures and revenues to an amount which it can reasonably expect to be able to borrow.

Further on it continues:

Until then—

This refers to some needed clarifications by the minister.

—Mr. Sharp can hardly expect his little tax devices to be accepted as a serious attack on inflation rather than an attempt to atone for the sins of yesteryear.

I think it is obvious what has happened. As I said earlier, my colleagues who will be following me in this debate will deal with the Carter report, the Kennedy round tariff negotiations, and many other matters. I have tried to demonstrate the cost to Mr. Average Canadian of what this government has been doing, particularly over the last two years, by way of increasing taxes and by its lack of action to combat inflation.

The cost of living has risen sky high. I gave the illustration of a typical Stratford family. I have never seen such a mass of opinion and such a mass of evidence clearly indicating that the government has erred beyond redemption.

[Mr. Monteith.]

Therefore I move, seconded by the hon. member for Argenteuil-Deux-Montagnes (Mr. Régimbal):

That all the words after "that" be deleted and the following substituted therefore:

This house regrets that the government by its vacillation and its failure to manage the economic and financial affairs of the country in a responsible manner has created a situation of instability and uncertainty, and has now proposed an increase in taxes to meet governmental extravagance, thus contributing to the inflationary pressures of the economy.

Mr. Olson: Mr. Speaker, I rise on a point of order. I do not have the amendment in written form in my hand at the moment, but it is quite clear to me from listening to the hon. member, when he read it, that the substance of the amendment has been dealt with at least twice during the current session. I wonder if Your Honour would therefore be good enough to wait until I have a copy of the amendment before I advance the argument which I am sure will convince Your Honour that it is completely out of order.

Now that I have the amendment before me I wish to speak on the point of order. I draw Your Honour's attention first to the amendment which was moved in the house on June 6 and on which a vote was taken on October 10. Without agreeing with any of the words contained in the amendment, this was the question put before the house when the vote was taken and negatived on October 10. At that time the same hon. member for Perth (Mr. Monteith) moved:

• (4:00 p.m.)

This government has failed miserably to set an example of responsibility by its refusal to reduce taxation—

Then, a number of other matters were mentioned. Of course, Mr. Speaker, the meaning of the amendment is exactly the same as the complaint made now in so far as the levels of taxation are concerned. The reference now is to the proposed increase in taxation.

In addition to that, Mr. Speaker, the other prong of the amendment we have before us relates to the vaccilation and the government's failure to manage the economic and financial affairs of the country in a responsible manner. I suggest to Your Honour this part of the amendment means essentially the same thing. The substance of it is essentially the same as the amendment moved by the Leader of the Opposition (Mr. Stanfield) on

November 20, as recorded on page 4468 of *Hansard*:

> This house regrets that the mismanagement of this government has endangered the rate of economic growth—

I suggest to you that the charge of mismanagement by the government is essentially the same in substance as the present amendment, which refers to the failure of the government to manage the economic system properly.

An hon. Member: You are wasting the time of the house.

Mr. Olson: The substance of these amendments is exactly the same. If you look at citation 194, Mr. Speaker, on page 164 of Beauchesne, you will find this:

> A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided,—

It does not say the same wording; it says the same in substance.

> —because a proposition being once submitted and carried in the affirmative or negative cannot be questioned again but must stand as the judgment of the house.

The substance of this amendment has been before this house at least twice. For the record, just so hon. members opposite can be brought up to date, the substance of the amendment before the house on October 10 was negatived by a vote of 113 to 68. This house therefore clearly indicated that it did not agree, for example, that the government has failed miserably to set an example of responsibility. The house voted against that proposition.

Mr. Nowlan: How did you vote at that time?

Mr. Olson: I forget the exact date when we were considering this amendment by the then leader of the opposition, which complained about mismanagement and failure to adjust taxes, which is the same in substance; but that amendment was negatived by the house. I could go on and quote chapters from Beauchesne and from May, but I do not believe Your Honour needs to be convinced that the substance of any motion that has already been dealt with by the house cannot be brought forward again during the same session. This amendment is clearly out of order.

In addition to citation 194, there is citation 200 in Beauchesne which reads:

> An old rule of parliament reads: "That a question being once made and carried in the affirmative or negative, cannot be questioned again but must stand as the judgment of the house."

Then the author goes on to explain this proposition.

> Unless such a rule were in existence, the time of the house might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

I suggest therefore, Mr. Speaker, that you rule accordingly. It is almost incredible to me that the opposition would not look up and at least read the amendments they have moved in this house to make sure that this amendment would be in order. When I was listening to the hon. member who moved the amendment, it seemed clear to me the kind of amendment he was going to try to move. I had quite a bit of time while he was rambling through a bunch of statistics to look up these other amendments and the citations supporting the argument I have made.

Mr. Ricard: You should have been listening instead.

Mr. Olson: I listened very carefully. I hope Your Honour will take into consideration particularly citations 194 and 200. I am sure you will be convinced then that the substance of this amendment the opposition is attempting to move is essentially the same as the last two amendments that have been before the house in this session.

Mr. Baldwin: I submit, to start with, that it is quite obvious the learned authors who wrote the present edition of Beauchesne could not have had in mind such an incredibly inept government as the one we have now. I want to congratulate the government on receiving such a brilliant addition to their ranks. Having in mind his days in opposition, and knowing what kind of government he would have to deal with, the hon. member obviously contemplated the kind of motion an intelligent, well informed opposition would make as an amendment. Obviously it would be a motion criticizing this government for its vacillation, and its failure to manage the economic and financial affairs of the country. He obviously was prepared for the kind of motion which it was the duty of an opposition party to move. As a matter of fact, Mr. Speaker, I think it would be in order to say that every day of every year which this government stays in power it

would be competent for us to move a motion, if the machinery were provided, to the effect that the government, by its vacillation and failure to manage the economic and financial affairs of the country, no longer commanded the confidence of the people.

However, I do want to point out that the operative part of the amendment is that which states that the government has now proposed increases in taxes to meet governmental extravagance. I point out, Mr. Speaker, that this is the second budget during this session. Surely in a situation where the government has seen fit, for reasons to which the hon. member for Perth (Mr. Monteith) has alluded, to bring in a budget proposing increases in taxes, to which we take legitimate objection, we are entitled to say we object because the government, in its actions leading up to the proposal to add to the tax burdens of the Canadian people, has vacillated in its policy and mismanaged the financial and economic affairs of the country.

How else would it be possible for us to take exception to the government's most unwise and unjust proposal to increase taxation, without referring to the reasons why, in our opinion, it was necessary to do so? This is the second budget in one session. Surely if the rules make any sense at all they permit us to make a motion of this kind, a motion of non-confidence in the government, and to give our reasons for doing so without any reference to an amendment that may have been moved before.

Mr. Lambert: Mr. Speaker, I believe the only reason the question is being debated at the present time as to the acceptability or otherwise of this motion is that the question was raised by the hon. member for Medicine Hat (Mr. Olson). In substance he was trying to point out something that is well known in this house. Certainly the hon. member is not so incredibly naïve as to believe that the members of the opposition are not well aware of motions made in this house on any and all subjects.

• (4:10 p.m.)

May I point out that the chief complaint of the hon. member was against the motion moved by the Leader of the Opposition (Mr. Stanfield) on November 20. That motion dealt with the rate of economic growth: There is no mention in this motion of the rate of economic growth. The earlier motion mentions the prospects of satisfactory levels of employment: The present motion says nothing about the levels of employment. Then the motion of November 20 refers to the ability of individual Canadians to meet their own commitments: That is not mentioned in the motion now before us.

As my colleague from Peace River (Mr. Baldwin) indicated, Mr. Speaker, this motion protests against the government increasing taxes after the delivery of a budget speech by the minister. This is an entirely new matter and is now before the house. The government proposes a tax increase. The motion objects to this tax increase and to the fact that the economic tool proposed by the government will not achieve the end for which it is designed. That is the substance of the motion.

Merely because use is made a second time of the same words in a descriptive or ancillary way, such as "inflationary", "economic" and "the government" does not vitiate the validity of the amendment, so the argument put forward by the hon. member for Medicine Hat (Mr. Olson) is reduced to absurdity. I put it to Your Honour that the operative part of the motion, as indicated by my colleague from Peace River, protests against an increase in taxes and also suggests that the increase in taxes will not achieve the end desired by the government. It has nothing to do with any previous motions before the house during this session.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to support the argument put forward by the hon. members for Edmonton West and Peace River (Messrs. Lambert and Baldwin).

It is obvious that the hon. member for Medicine Hat (Mr. Olson) could have quoted every section in Beauchesne to no avail; he erred in his original premise, when he said that this amendment was identical in concept and substance to the two previous amendments. It is not the same thing at all. As a matter of fact, his argument is entirely wrong, since the premises are false.

Here, the objection is against those tax increases. In the other two amendments, there was no mention of them at all. It may be that like causes produce unlike effects, but the difference lies in that today's amendment is concerned with tax increases, while the others dealt with the increase in the cost of living. Similar causes can bring about different results and I wonder how the hon. member for Medicine Hat can reach the conclusion that it is in principle exactly the same amendment. It is astonishing to see how he

can make a mistake at the outset, by suggesting it.

That is why I feel the premises of the hon. member for Medicine Hat are clearly unsound and the amendment should be accepted, because I fail to see how it could be similar to others.

We are faced today with another unusual situation: an increase in taxes which was not mentioned in the other two amendments. That is why I think the amendment is quite in order.

[*English*]

Mr. Knowles: Mr. Speaker, it seems to me that Your Honour is in the position of having to pioneer a bit. The rules under which we operate, and which are the basis for the citations that Beauchesne gives us contemplated only one budget a year.

Mr. Pascoe: Not three.

Mr. Knowles: No more than one at any rate. As a matter of fact, we have had to agree in the house that, though standing order 58, which sets out the rules relating to the budget speaks of "the budget presentation", when we have a second budget in the same session we have to deal with it under the same rule. I suggest therefore that the citations and pronouncements relating to the old situation, where there was only one budget a year, do not help Your Honour very much today.

The fact is that today we have a new budget, and the hon. member for Perth (Mr. Monteith) has proposed an amendment dealing with a new situation. Despite the fact that the amendment is several lines in length, it really hinges on this concept—and I quote from the amendment—"and has now proposed an increase in taxes". Thus the amendment relates itself, and I say in its entirety to an increase in taxes that has now been proposed by the Minister of Finance (Mr. Sharp). Because this is a new situation, Mr. Speaker, I suggest you cannot rely on the citations which envisage a session in which only one budget is brought down.

I recognize, Mr. Speaker, that you are going to have to give some pretty serious thought to the citations that say in general that the same subject cannot be dealt with a second time. But I do not think you will have trouble with that, because what is being commented on now is something that was not before us when the previous amendments were moved, namely an increase in taxes proposed by the Minister of Finance last Thursday night. It is in this new situation that the amendment has been made, and I believe, all things considered, Your Honour will have to find that this amendment is in order.

[*Translation*]

Mr. Caouette: Mr. Speaker, I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) who indicates quite clearly that what we have here is a new budget with new resolutions and that, in these circumstances, the amendment of the Conservative party is quite in order.

Furthermore, the member for Medicine Hat (Mr. Olson) should know from experience that when he sat with the Créditistes, here, amendments were moved against the government and substantially, Social Credit proposals were always included in such amendments. At that time, the member for Medicine Hat did not object to the Chair accepting these amendments. Today, he is objecting because he has become a Liberal.

Now, Mr. Speaker, this exceptional situation should be taken into account when a member prefers to set his electors aside and join a political party which is not supported by his own voters.

[*English*]

Mr. Olson: Mr. Speaker—

Mr. Deputy Speaker: The hon. member has already spoken once to the point of order.

Mr. Sharp: Mr. Speaker, I feel you are in a rather difficult position in reaching a decision at this stage.

Mr. Régimbal: Not at all. You are.

Mr. Sharp: The reason I say that I understand you may have some difficulty is not only for the technical reason spoken to by the hon. member for Winnipeg North Centre (Mr. Knowles), but also for the reason of substance.

In fact, Mr. Speaker, in the first budget debate the position members condemned the government at a time when we reduced taxes for exactly the same reasons that they are now condemning us for increasing taxes. It must be very difficult for you, Mr. Speaker, to distinguish between the cases, and I think it does indicate that even though there appears to have been a change in leadership, it is just the same old group arguing the same old platitudes.

Some hon. Members: Oh, oh.

Mr. Crouse: Is that the best contribution you can make?

• (4:20 p.m.)

Mr. Deputy Speaker: Order, please. Let me say at the outset that I will accept the amendment, and I do so for the following reasons. I recognize the difficult position that the Chair is in at the moment, having particular regard to the citations which have been given by hon. members. I am quite familiar with citations 194 and 200; there is no need for me to repeat them. I must also pay attention to the fact that these citations, if they are to apply to a budget debate, were written when there was only one budget. That I think is an important point.

May I proceed further and say that I agree with the hon. member for Peace River (Mr. Baldwin); the operative part of the amendment which we have before us is an increase in taxes, which could not have been discussed on any earlier occasion.

I shall also say this to the house. If citation 194 is to stand and we apply that citation with its full force, as if there were only one budget, then I would have some doubt about the presentation of the budget we are now considering being in order.

Mr. Knowles: Hear, hear.

Mr. Deputy Speaker: If the house therefore has allowed the budget, then I think that the house must allow the amendment.

Mr. Crouse: Any comment?

Mr. Deputy Speaker: I ought to point out, too, that if the amendment is out of order, since the amendment deals mainly with a tax increase I would have some difficulty in ruling any subsequent speeches in this budgetary debate to be in order. These are the two matters that bothered me particularly.

I recognize the force of citation 194 and I am familiar with citation 200. In the time that I have been in the house I know that we have never permitted discussion of the same topic more than once during the same session. I recognize that; but this, I believe is a special occasion. I think I must look at citations 194 and 200 with some leniency. For these reasons as I have said, I shall allow this amendment.

Mr. David Lewis (York South): Mr. Speaker, in our opinion the budget which is now before the house is unnecessary and contradictory. It is thoroughly inequitable. It treats the corporations with loving kindness, while placing unjust income and other taxes on the working people of this country.

The budget, Mr. Speaker, is designed, and designed deliberately, to increase unemployment in the next year and to slow down the rate of growth. There have been four budgets in about 18 months and five budget speeches by the Minister of Finance (Mr. Sharp). Indeed, I am tempted to say that the minister will go down in Canadian political history as "Two Budget Mitch" who was shooting from the lip most of the time.

Some hon. Members: Oh, oh.

Mr. Lewis: Coming in the wake of three similar budgets in the short space of about one year and a half, the present budget underlines the government's utter failure to manage the economy. Indeed, Mr. Speaker, it is clear that the minister's main concern is the financial market. The main aim of the budget is to soothe the tender nerves of the financial institutions.

When on many occasions over the years, spokesmen of our party have said that Canadian governments too often have been influenced and guided by the views and objectives of the large financial and industrial corporations, we have been scoffed at. I say to you that this budget is proof conclusive that we have been right and are right in that condemnation.

Mr. Greene: A nineteenth century speech.

Mr. Lewis: In short—

Mr. Byrne: How about Wilson?

Mr. Lewis: This is not a budget which is just or forward looking. This is a budget which favours, ultimately, the rich and powerful corporations at the expense of the average people of this country.

Mr. Greene: The hon. member is making a nineteenth century speech.

Mr. Lewis: In my considered opinion—and I say this despite the interjections of the Minister of Agriculture (Mr. Greene) who may not have had time to read the budget—no language is strong enough to condemn the social callousness and economic folly of this budget.

Mr. Byrne: How about the folly of socialism?

Mr. Lewis: To cap this callousness and folly, the minister blandly jettisons the

Carter report, giving reasons for doing so which make clear that the government accepts, holus-bolus, the objections of the vested interests which are threatened by the search in the report for equity and justice.

Given the choice between the present unjust and inequitable tax system and a radically new tax system which would lift the unfair burden from the backs of ordinary Canadians and place it where it belongs, on the backs of the rich and powerful, the government deliberately has chosen to stay with the unjust and inequitable tax system. That is the characteristic of this budget.

The minister says that he is trying to fight inflation. I suggest to him that his budget may well do the opposite in the short run; and in the longer run it will cost hundreds of millions of dollars in lost production through increased unemployment, and millions of dollars in lost revenues to the treasury. It is obvious surely that the present inflationary pressures are not due to excess demand, except perhaps in the field of housing. As the economists put it, the present inflation is a cost-push inflation and not a demand-pull type. To reduce aggregate demand through personal income taxes cannot affect the situation—certainly, it cannot affect it in the short run—except adversely.

I have little doubt that the added taxes, which fall mainly on the working people of this country, will spur some of them to make higher wage demands; at least the tax will make it much harder to restrain them. This will add to the cost-push situation and will not improve it. I cannot imagine that the minister and the government are unaware of these elementary facts. Why did they, then, impose these unfair, unnecessary and dangerous income taxes? I appreciate that the increase is not very large; but it is significant and important.

I can find only three possible explanations for the government's action in this respect. First, I have had the distinct impression, in four budgets, that the minister uses the income tax as a severe teacher uses the cane, to teach the people a lesson. Whether an income tax rise is economically or socially sound, it is good for the soul, says the minister. It will teach the people not to want too much—too much, that is to say, according to the gospel of the powerful in the land, which he accepts.

Second, the government and the minister hope, apparently, to persuade the professional money lenders that the minister can be relied on to be cautious, conservative and, above all, tough on the right people—not, God forbid, on the financial institutions or other large corporations. They may confidently expect only sympathetic consideration. So, hopes the minister, they will surely be persuaded to take up large government issues and reissues which must be floated in 1968.

• (4:30 p.m.)

The third reason for this added income tax is that in the long run the budget looks forward to an increase in unemployment to cure inflationary pressures. The minister admitted as much when he said that his policies might "limit somewhat the increase in our production next year." This is a careful way of admitting that he fully expects more unemployment next year. At all events, he later told us that he does not expect the present rate of employment to be increased except to an extent about in proportion to the growth of our labour force. This is certainly an admission that the minister does not expect the present unemployment rate to fall. I say that the present level of unemployment is already too high to be complacent about; it is 4.7 per cent of the labour force nationally, and substantially more than that in the Atlantic provinces and certain other parts of Canada.

Furthermore, if the rate of growth of the economy slows down as the minister expects, admits and desires, unemployment is bound to increase. Indeed all the major indicators now show a levelling off or a slowing down of the economy. This, therefore is the explicit and implicit objective of the budget—a deliberate and calculated increase in unemployment. What an objective. And what a budget.

I know that this kind of policy has been tried before and it has been tried elsewhere. It has never worked, and we of the New Democratic party reject as ineffective and cruel a policy of deliberately creating unemployment. It is ineffective because of its cost in terms of loss of production and in the cost of welfare. It is cruel because of its social and human cost right across the country.

The minister says he needs additional revenues. In one sense it is doubtful whether at the turn-down of the cycle, when economic activity is levelling off or slowing down, it is wise to increase taxes at all and seek to reduce the deficit. That our economy is slowing down, the minister himself admitted when he said:

> The result of these recent changes in the sustaining forces in the economy has been a slowing down in the rate of growth of production, a slight downturn in total employment and a rise last month in

unemployment. The economy has ceased to be under the serious strain it experienced last year and has developed a small amount of spare capacity.

In these circumstances one does not seek to reduce aggregate demand. There is more than a small amount of spare capacity available and the minister's intention of making it a large amount is nothing less than reprehensible.

But even if it is granted that the minister should raise additional revenue at this time, was the placing of an unfair and inequitable additional burden of income tax on working people the only way in which he could have obtained that revenue? I say emphatically that it was not—that it was the last source he should have considered. I can put the point no more strongly than did the Toronto *Star* in an editorial of December 2, part of which reads as follows:

Finance Minister Mitchell Sharp merits severe criticism for the unfair manner in which he has chosen to apply the new tax burden.

The main weight of his mini-budget falls on the back of the ordinary wage-earning family which is already hard pressed to meet the inflationary rise in living costs.

Later, the editorial goes on:

It lets off scot free those powerful, fat cat industries—

Those are not my words; they are the words used in this editorial from the Toronto *Star*,

—insurance, oil and mining—which for years have received almost a free tax ride at the expense of the Canadian public.

Indeed, Mr. Sharp has virtually assured these industries that they will be permitted to continue enjoying the special tax privileges they now get.

I agree with the statement in this editorial. I say that even if the government was not prepared to implement the general principles of the Carter report—and I shall have something to say about that later—there was no reason in the world why in the search for additional revenue the minister should not have imposed at least some of the fair and equitable taxes which that report recommended. Removing the special concessions given to mining and oil corporations, and to insurance companies, would have yielded him almost all the revenue he will raise by soaking the working people of this country by way of additional income tax and added taxes on liquor and tobacco. From these two sources the minister expects to raise $280 million in the next fiscal year. Even on the basis of the 1964 calculations in the Carter report, removal of the special concessions to the mining, oil and insurance companies would yield over $200 million. If, to this, the minister had added even a relatively modest capital gains tax, as he should have done, he would have been able to raise a further $100 million or $200 million—or, according to the Carter commission, as much as $300 million in additional revenue.

Instead of imposing extra burdens on the ordinary people of this country the minister could have resorted to these sources which were available to him, and thus have gone a little way toward offsetting the imbalance and inequity of our tax system. But this is obviously not the objective of the government. I say there is no possible excuse for imposing additional taxes on the people when there are available to the minister sources in the rich corporations capable of providing additional revenue, even if it is admitted that additional revenue is needed.

This striking difference between the treatment accorded working people and the loving care accorded to wealthy and powerful corporations runs right through the budget. Even the income tax is imposed in a totally unfair way. I have tried to find some reason—perhaps the minister will enlighten me on this at some point—for the cut-off of the surcharge at the level of $600. I can find no justification whatsoever for this, other than the government's determination to be considerate to those who need consideration least, and to be ruthless to those who need consideration most.

Mr. Sharp: Would the hon. gentleman like to know, now? He could not have read my budget speech, because I said we reversed the process of 1965; when we reduced taxes by 10 per cent we reduced them only to a limit of $600. In putting them back, we simply reversed the process.

Mr. Lewis: We have now heard the minister's explanation, and it is just as invalid as was the original decision. It simply underlines what I have said, that the only reason for the insupportable and indefensible cut-off at $600 is the inclination of the minister to be kind to those who do not need his kindness and to be unkind to those who do need his kindness. Thus, a person earning an income of $50,000 will pay a surcharge of only $600, when on the basis of the 5 per cent he would have had to pay somewhat above an additional $1,000. I suppose it was thought that the $100 exemption, which means an additional $5 to those at the lower level, could be

traded off against an exemption of $400 at the upper level.

Mr. Sharp: Not so.

Mr. Lewis: This is an example of the cynical morality of this government.

Mr. Sharp: That shows how cynical the hon. gentleman is.

Mr. Lewis: Look at the tender treatment given to the corporations. First, there is to be no increase in corporation taxes; those cannot be touched. The only so-called burden placed on corporations will be that instead of beginning to pay their taxes in the fifth month of the taxation year they will now be required to begin paying them in the third month. That is really rough, as one of my hon. friends says. I am not impressed by this step, though I do not object to it. After all, a worker, whether he receives wages or a salary, whether he works in a plant or an office, whether he is an office boy or an executive, begins his instalment payments with his very first pay cheque in the taxation year. I imagine therefore that the corporations will not be terribly upset by the slight adjustment the minister has introduced.

In short, the burden of this budget falls entirely on the ordinary Canadian. The mining, oil and insurance companies continue to enjoy undeserved concessions. The corporations generally get off scot free. Capital gains remain untouched. No wonder the Toronto *Star* says that this is a budget which favours rich industries at the expense of the average Canadian. This is exactly what it does.

There is a great deal of talk in this house and outside the house about cutting government expenditures. I expect we will hear today or tomorrow from the President of the Treasury Board (Mr. Benson) where the government intends to reduce the expenditures. In a moment I wish to repeat a suggestion we have made many times and which my leader made in this house as recently as November 20 concerning where massive cuts in expenditures can and should be made. However, at this point I should like to say very frankly that while the New Democratic party shares the universal desire that all unnecessary expenditures be trimmed, that all wastage be got rid of and that the public service be made as efficient as possible, we do not agree that the public sector is expendable; we do not agree that any of the basic services which are needed to give some security and comfort to the Canadian people should be cut; we do not agree that such an indispensable part of our social security system as medicare is should be delayed or eroded.

We do not agree that the first inadequate steps taken to encourage industrial research and development leading to improvement in productivity should be slowed down. We do not agree that any of the expenditures related to industrial development in disadvantaged regions of Canada should be curtailed; indeed, we believe they should be increased and accelerated. We do not agree that the totally inadequate federal program on housing should be tampered with at a time of a serious housing crisis.

It is our firm conviction—and I put it very frankly to members of the house, Mr. Speaker—that our modern technological age requires more and not less government involvement, more and not less government participation in the economy and a larger, not smaller public sector not only in the fields of social security and welfare but also in the fields of economic planning and development. This is where we differ fundamentally from both the government party and the Conservative party.

The spokesman for the official opposition who preceded me repeated that party's criticism of government expenditures and that party's demands for cuts in those expenditures. He did not indicate in his present speech any more than any other spokesman for the Conservative party has indicated exactly where they want the cuts in expenditures to be made. I believe they have a duty to tell parliament and the people of Canada exactly what government programs they want cut off or reduced.

Mr. Sharp: Hear, hear.

Mr. Lewis: Indeed throughout this and earlier sessions of parliament—certainly throughout the two sessions of parliament since the 1965 election—I have heard Conservative spokesmen demand—and we have supported the demands—that old age pensions be increased, that assistance to the provinces be increased, that other social security measures be increased and that assistance to housing be increased.

Mr. Speaker, if one is honest he must realize that these things cannot be done without an increase in the expenditures of the government. Furthermore, if one is honest he must recognize that when we increase the

• (4:40 p.m.)

programs of the government we must increase the size of the public service of the government, because programs cannot be carried out without the people to do the work that needs to be done. I suggest that one is being utterly irresponsible when he demands cuts in expenditures and at the same time demands these increases in services and costs. I am certain, however, that the spokesmen for the official opposition will not make clear what programs they want to have cut, because they know perfectly well that the people of Canada will not stand for the erosion of their security and welfare which the curtailment of any of the major programs would involve.

As I have said, it may be popular to cry that the government should cut down its expenditures, but in our view it is irresponsible to do so without naming the fields in which the cuts should be made. Of course, we should also improve our housekeeping and staff organization in order to achieve whatever savings are possible. I was struck forcibly by the very profound and meaningful statement of Professor Galbraith, which I should like to quote. I commend this to all hon. members of the house, if I may, with humility:

> nearly all of the investment in individuals is in the public domain and almost all of it is outside the market system.

It is my profound belief that whether public expenditures are in the field of cash payments to the old, the young and the ill, the unemployable and the unemployed, whether they are in the field of expanding educational opportunities or cleansing our waters and our air, whether they deal with the provision of decent homes, the clearing of slums and the planning of our urban communities and whether they are spent in the promotion of industrial expansion and increased productivity, all these expenditures are an investment in the future of the people of Canada and, to the extent that we assist peoples elsewhere, they are an investment in the future peace of the world. Without these expenditures life would be intolerable for the poor and dismal for the well-to-do.

I therefore say frankly that the time has come to abandon the out of date attitude toward government spending which was shown by the spokesman for the official opposition. We should cease to regard it as an evil to be contained. Full employment, expanding economic growth and social advance cannot be built by individuals themselves and cannot be left to the irrational and arbitrary functioning of the marketplace. They are the responsibility of the nation or the community. They can only be achieved collectively through our parliament, our legislatures and our municipal governments.

However we believe there is one field in which our present expenditures are massive and extremely questionable from the point of view not only of Canada but also from the point of view of our trying to build a more peaceful world. I refer to our defence expenditures. I suggest to the government that if they want to cut expenditures they should reassess our military commitments to NATO, which were made 20 years ago when they had some relevance to the situation in Europe but which now are no longer relevant. This alone could bring about a saving of hundreds of millions of dollars. I suggest there is no reason now that we should not cut out our contribution to NORAD, since it has proven to be completely obsolete with the development of nuclear weaponry.

I suggest, as my leader suggested on November 20 in this house, that we should postpone the construction of the two support ships and drop the purchase of the CF-5 aircraft. If all these things were cut out we would avoid unnecessary expenditures in the large amount of $500 to $600 million. I do not wish to go into the details of this now, because there will be other opportunities to do that. However, if the minister had achieved these savings he could have avoided his sadistic attitute toward the taxpayers and would have been able to avoid the additional income taxes.

There is in the budget another sop to the wealthy. Not only is there no increase in corporation taxes, but the minister will start repaying the puny refundable tax in the next fiscal year. I suppose he will say this is because of an undertaking he gave when he imposed the tax. In any event he will repay in the next fiscal year $105 million, and $139 million in the following fiscal year.

An hon. Member: He owes it.

Mr. Lewis: Someone suggests the minister owes this, but the minister changed the income tax a couple of years ago after a former minister of finance had reduced the tax. This minister imposed the tax again. This is the law of the land and the minister could change this arrangement in the same way he has changed the arrangement with regard to the ordinary taxpayer.

Mr. Sharp: I want to encourage business investment.

Mr. Lewis: Of course you do.

Mr. Sharp: And I care about unemployment.

Mr. Lewis: You do not care about unemployment, because when you take tax from the ordinary purchasing individual you ensure unemployment. I will come in a moment to the encouragement of the minister to business investment, if he will keep his red hair smoothly combed. What this means in simple English is that the minister is going to collect $185 million in income tax from the ordinary Canadian in the fiscal year 1968-69 and promptly give $105 million of it to the corporations of this country.

Mr. Sharp: To pay debts.

Mr. Lewis: That is exactly what he will do. Almost two thirds of the additional income tax to be paid by the ordinary Canadian will go into the coffers of corporations.

Mr. Sharp: Do you not believe in paying your debts?

Mr. Lewis: I believe in paying my debts, but the greatest debt of the minister and this government is to the people of Canada who have suffered under a policy of mismanagement of the economy resulting in higher costs of living each year. We are now experiencing the deliberate encouragement of unemployment and the slowing down of the economy. This is where the minister's first obligation lies, and this should take precedence over everything else.

The minister says he wants to encourage investment. In searching for a method to implement an obsolete policy the minister has decided he will cut federal lending. I must make my remarks brief, but other colleagues in my party, including the hon. member for Waterloo South (Mr. Saltsman) and our financial critic, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) and others will elaborate on some of these points. In an effort to make sure that the economy will decrease and unemployment will increase the minister has decided to cut lending to the Central Mortgage and Housing Corporation, the Farm Credit Corporation, the Veterans Land Board and Air Canada, and he will not renew federal lending to the Municipal Development and Loan Board. These steps are utterly incomprehensible to me.

Mr. Sharp: You just do not understand them.

Mr. Lewis: I think I do understand a little bit about them, and let me inform the minister why I say that. There are only two alternatives which will follow this cutting back of lending programs. Either the developers and the people who need houses will borrow the same amount of money from the market, and Air Canada will borrow the same amount of money from the market, or they will not. If they do, what difference does that make to the economy.

What difference does it make to the economy whether the borrowing from the money market is made by "A" or "B"? The only difference is that the government may find it a little easier to sell its bonds and may even get a slight reduction in the interest rate. The house builder will have to pay a higher rate for the mortgage he seeks to obtain. When C.M.H.C. makes a loan to a house builder we at least know that the house will be built, even at a higher rate. When the developer borrows the money on the market we do not know where that investment will go. It will likely be used for the construction of an unnecessary bank building, rather than new homes. What sense does this make? And what happens if they do not borrow? If these builders and people who need houses do not borrow on the market, which I suspect may be the objective of the minister, then of course a decrease in the economy will be encouraged and unemployment will be increased.

Let me draw the attention of the house to an article which appeared in the *Globe and Mail* yesterday. It refers to a survey by the Economic Council of Canada which suggests that business will not make enough investment in the next five years to keep production at full capacity, and that the largest drop in planned investment of business is in the construction field. Every student in first year university knows that the multiplier effect of construction is always high, and important to the entire economy.

What the minister is doing by curtailing these lending programs is merely adding, as he deliberately intends to do, to the forces in this country which bring the economy downward and unemployment upward. He thinks that this is the way to solve inflationary pressures, as he calls them. Under present circumstances the action of the minister in cutting down on construction loans is entirely ridiculous and reprehensible.

I know that in a moment or two the house will go to another item of business. Therefore, I want to place before the house an amendment to the amendment. I will make a few concluding remarks in my presentation tomorrow when the budget debate resumes. For the reasons I have already indicated I want to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and that the government has placed the burden of these tax increases on the ordinary citizen of Canada, with favoured treatment for those in the top income brackets, instead of introducing a just and equitable system of taxation and obtaining further revenues by the cancellation of the special concessions to mining, oil and insurance companies.

I want to apologize to members of the house who would like to have this amendment in the French language. There simply was not time to have the French version prepared but we will make sure that it is available as soon as possible for the resumption of the debate tomorrow.

May I call it five o'clock.

Mr. Chrétien: Mr. Speaker, on a question of privilege let me say that we do not have a copy of the subamendment in French. Yesterday the hon. member for Winnipeg North Centre (Mr. Knowles) said that this was out of order and that we should not accept this practice in the House of Commons. The subamendment amounts to only a few lines, yet they could not get it translated.

Some hon. Members: Shame.

Mr. Deputy Speaker: Order, please.

Mr. Lewis: On the question of privilege, Mr. Speaker, since the Minister without Portfolio (Mr. Chrétien) was so unkind as to refer to this matter, may I remind him that it was impossible for us to draft a subamendment until we had the amendment of the official opposition in our hands. It takes time to draft a subamendment and it can be drafted in one or other language with the consequence that it is not available in one language.

An hon. Member: You are supposed to be bilingual; you speak French.

Mr. Deputy Speaker: Order, please. While it does take time to draft a subamendment, and this can only be done after the amendment is available it also takes time for the Speaker to read the amendment and decide what should be done. Perhaps the hon. member for York South will permit me to hold this amendment until tomorrow, for a ruling In the meantime perhaps he can obtain a French version.

[Mr. Lewis.]

Mr. Lewis: Of course, Mr. Speaker, I still have some time at my disposal and I will be pleased to introduce the subamendment again tomorrow.

• (5:00 p.m.)

Mr. Deputy Speaker: I am not saying to the hon. member that he should reintroduce it. Perhaps he could refer to it again when he completes his speech tomorrow. In the meantime the French version can be prepared and the Speaker will have an opportunity to look at it.

It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions and public bills.

CANADA ELECTIONS ACT

VOTING AGE—REFERENCE OF MOTIONS AND BILLS TO STANDING COMMITTEE

Mr. Jim McNulty (Lincoln): Mr. Speaker, may I have the unanimous consent of the house to move a motion in respect of two notices of motions and five bills standing on the order paper to be referred to committee?

Mr. Deputy Speaker: Does the hon. member have the leave of the house to present his motion?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, could I ask whether it will be done in both languages?

An hon. Member: Ask from your seat.

Mr. McNulty: By unanimous consent, I move, seconded by the hon. member for Chambly-Rouville (Mr. Pilon):

That the notice of motion reading as follows:

"That, in the opinion of this house, the government should give consideration to amending the Canada Elections Act to provide for the age of voters under the Canada Elections Act to be 18 years in lieu of 21 as at present",

standing in the name of the hon. member for Springfield (Mr. Schreyer) as notice of motion numbered 15 on today's order paper, (b) and notice of motion reading as follows:

"That, in the opinion of this house, the government should give consideration to reducing the age of voters under the Canada Elections Act from the present age of 21 years to 18 years",

standing in the name of the hon. member for Prince (Mr. MacDonald) as notice of motion numbered 24 on today's order paper, be deemed to have been withdrawn and that the standing committee on privileges and elections be empowered to consider and report upon the provisions thereof.

(2) That the orders of the house relating to the following bills, namely,

(a) Second reading of Bill C-26, an act to amend the Canada Elections Act (age of voters), being order No. 12 standing in the name of the hon. member for Springfield on today's order paper;

(b) Second reading of Bill C-101, an act to amend the Canada Elections Act (18-year old voters and candidates), being order No. 85 standing in the name of the hon. member for Vancouver-Burrard (Mr. Basford) on today's order paper;

(c) Second reading of Bill C-172, an act to amend the Canada Elections Act (qualifications of voters and candidates), being order No. 138 standing in the name of the hon. member for Chapleau (Mr. Laprise) on today's order paper;

(d) Resuming debate on the motion for the second reading of Bill C-12, an act to amend the Canada Elections Act (age of voters), being order No. 148 standing in the name of the hon. member for Kenora-Rainy River (Mr. Reid) on today's order paper;

(e) Resuming debate on the motion for the second reading of Bill C-14, an act to amend the Canada Elections Act (age of voters), being order No. 155 standing in the name of the hon. member for Prince on today's order paper,

be deemed to have been discharged and that the subject matter of the said bills be referred to the standing committee on privileges and elections.

Mr. Knowles: Mr. Speaker, may I ask the hon. member a question? Is it clear, these references having been made, that the committee will meet and deal with them?

Mr. McNulty: That is the understanding.

Motion agreed to.

UNITED NATIONS

STANDARDIZATION OF SCIENTIFIC AND TECHNICAL TERMS AND PHRASES

Mr. S. Perry Ryan (Spadina) moved:

That, in the opinion of this house, the government should consider the advisability of taking an initiative in the United Nations with a view to the establishment of a committee which would, by consent of participating nations, standardize and internationalize all new scientific and technical words, terms and phrases, and review older terms, scientific and otherwise, that could readily be made into one word for all languages, in order to promote international understanding and facilitate communications between nations.

He said: Mr. Speaker, as there are so many large words in this motion, I should like to repeat it slowly to get a little more of the impact across. I think this would be proper under the circumstances. My motion is:

That, in the opinion of this house, the government should consider the advisability of taking an initiative in the United Nations with a view to the establishment of a committee which would, by consent of participating nations, standardize and internationalize all new scientific and technical words, terms and phrases, and review older terms, scientific and otherwise, that could readily be made into one word for all languages, in order to promote international understanding and facilitate communications between nations.

I propose this initiative as being a proper initiative for Canada which is, in actual fact, a country of many languages and cultures. To realize this one has only to circulate through my riding of Spadina in metropolitan Toronto. I propose this initiative as a step forward simplifying international understanding, not only between nations but between individuals of different nationalities.

I suggest that all new scientific terms be made the same in spelling and pronunciation for all the languages in the world, or at least the world of the United Nations. It has been stated that over 90 per cent of all scientists ever born are living and are working in the world at the present time. It is obvious therefore with this concentration of intellectual ability in the field of discovery that the rate of discovery and change will be steadily and rapidly increasing, with the concurrent and resultant great expansion in our technical vocabularies.

If for each language different new terms are devised and used, the Tower of Babel condition of the world will be intensified, to the discomfiture of all, unless something can be done to prevent this. I propose that something should be done about this problem, and should be done now. This is a problem that could most properly and efficaciously be dealt with under the aegis of the United Nations, and I submit that a permanent committee should be set up at the United Nations to deal with this question. It would check for each new term the word that is most readily written and pronounced in the most languages, and set it up as the standard to be used by all countries. In this way scientific terms would readily become universal in usage.

The co-operation of the scientific societies should be sought, as their support would be necessary and very helpful in this regard. Each society could have a committee of multilingual individuals to review all new terms and to select the one which seems to have

the most universal utility, and then recommend it to the committee dealing with this problem at the United Nations.

• (5:10 p.m.)

If procedures such as this are carried out, instead of the language difficulties increasing steadily over the years they would be gradually lessened. Having set up the mechanism to deal with new terms the committee would then review older terms both scientific and otherwise, terms which could readily be made into one word for all languages. The members of the committee could then promote the chosen words until they became commonly accepted round the world.

I hope that through these methods the various languages of the world would be gradually brought together. Increased communication should bring about increased understanding and co-operation, which is for the good of all. Therefore I commend this initiative to the house and to the government.

Mr. Reg Cantelon (Kindersley): I should like to say at once that this suggestion has my unqualified support, and therefore I do not intend to take too much time in speaking about it, as I would not want to be accused of talking it out. However I wonder just how efficient the method suggested by the hon. member will be. I hope it will work but I think some difficulties might be encountered. However, if it can be carried out and taken to the United Nations, and if a committee can be established to work on these scientific terms and come up with a series of them—and there are a great many that can be adopted internationally—then I hope Canada would take the first step in adopting them.

I should point out here that, so far, Canada has not been very forward looking in taking initiative in the scientific field. Some three years ago I suggested to the house that initial steps should be taken to introduce the metric system. So far as I can see nothing along this line has been done as yet. The United States is making some attempts to convert to the metric system; Senator Pell having introduced a bill in the U.S. senate which seeks to do so. He pointed out that 90 per cent of the world's population now uses the metric system, and some 27 countries in Europe do so also.

So if we could do our part in this respect, it would be a good indication that not only Canada but the whole world should use a system of scientific terms as suggested by the hon. member who introduced the motion before us. I wish to conclude by repeating that this motion has my unqualified support, and I can only hope it will be carried to a completion.

[Mr. Ryan.]

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, I think the hon. member who introduced this motion is certainly to be commended for drawing the attention of the house to the necessity of standardizing and internationalizing scientific and technical words. As the previous speaker has pointed out, this is in line with the general movement among nations to standardize linear and weight measures through the adoption of the metric system, and to establish a more general usage of decimal coinage. I think we must realize, however, that this takes a long time. Certainly the hon. member must be prepared, as must all of us, for a considerable length of time to elapse between the initiation of his proposal and its actual fruition.

I have had some experience in the military field with the standardization of equipment. This necessitates the standardization of small items which, in the normal course of events, none of us would even think of. I refer to the standardization of the screw threads of machine parts, the standardization of the purity of metals which go into equipment, and even the standardization of very fine measurements used in the electronics field.

This is a problem which is taking on new dimensions as scientific research and industrial development continue to carry us rapidly forward into new and unexplored fields. It is a problem which is becoming more complex as more and more people of different languages expand their programs of research and development. As has been pointed out, the standardization of technical and scientific terms has become very urgent in view of the fact that we have entered the computer age. Computers have opened up new and virtually infinite opportunities for scientific research and industrial development. In fact we could almost say that now there is a requirement for research into research on research programs, to carry it to a logical conclusion.

For all these reasons it is a matter which has attracted the serious attention of scientists, technicians and engineers both in their respective fields and in common programs to which the United Nations agencies and various international scientific organizations are devoting manpower and money.

We have heard some of these programs outlined by the speakers who have preceded me. Quite obviously, in this increasingly

interdependant world in which we live, our scientific and technical personnel need to have the greatest possible degree of understanding of these terms, so that they can communicate with one another and speed up the general process of scientific and technical development everywhere.

I think all of us are aware of the fact that some scientific terms are already international in character. For example, it has been traditional in the botanical sciences to use Latin terminology, and I understand that this is accepted in all the major countries of the world as the standard way of describing plant life. These Latin terms therefore are evidently used by English speaking, French speaking, Russian speaking, Japanese speaking and other scientists working in the same fields to enable them to communicate with one another. This is a degree of standardization which was apparently achieved long ago. It is already very widely accepted. Perhaps it is not so easy in some of the newer sciences to make use of Latin or Greek or some other common language to define the scientific terms we are speaking of now. We evidently have a particular problem with new discoveries and new, exciting developments which call for an entirely new terminology.

• (5:20 p.m.)

What seems to happen at the present time is that a discoverer of some new phenomenon or process coins his own name for it. If it is a good name it is generally accepted. I am told for example that the word "laser" is a word that is understood in all scientifically developed countries by people who deal with that recently developed phenomenon of light and energy. Perhaps this is a good example of how scientists themselves—and I repeat this, scientists themselves—are already dealing with this problem of communication with one another, when it comes to new scientific developments.

I think it is true also to say that an extensive common technical vocabulary has inevitably developed as industrial countries have expanded their trade in machinery, in industrial and scientific equipment not only amongst themselves but amongst the developing countries. We saw how this development of specialized terminology for special equipment became accelerated and was accentuated during the world war II, when many names which are household words today were coined or invented. They were picked up by the allied nations and distributed by that means throughout the world, and have now become part of our every day lexicon.

So, hand in hand with this expansion in industry and science there has naturally been a very extensive exchange of information between industrial and scientific communities throughout the world. This, in turn, has unavoidably involved the natural development of a very substantial measure of standardization of vocabulary. There is no reason to doubt, in my opinion, that these developments will continue at an increasingly rapid rate. In fact there is a long standing system of international scientific unions, each of which operates in one specialized field of science.

These unions, individually, deal among other things with terminology. If we take for example the field of chemistry, we find there is an International Union of Chemistry. The scientists who are prominent in this field have set up a committee on nomenclature, which is what we are speaking of today. Through this committee on nomenclature they are steadily developing agreement on chemical terms. I believe this extends, not just through the chemical terms or nomenclature but to standards of purity and so forth. These in turn must have names for themselves. It is necessary for scientists working in a given field to get together and iron out the differences of substance in the materials about which they are talking. It is a matter of agreeing on the structure of the material or on the combination of elements before one can decide what to call it and come to an agreement on a widely understandable name for the substance. It is particularly desirable, if possible, that this name should in some way describe the appearance or use to which that substance would be put. This is something which obviously only scientists, who have a highly specialized knowledge in a particular field, can deal with adequately. It is no job for amateurs.

It is also my understanding, Mr. Speaker, that there is close co-operation amongst the various scientific unions through an organization called the International Council of Scientific Unions. I understand this body is doing a great deal of work in co-ordinating the efforts of the various scientific disciplines so that they will be understandable to one another. In recent years the problem of the development of common technical knowledge has become much more acute, as the industrial and scientifically advanced countries of the world have come to rely so heavily on computers. The need to exchange computer stored information has, in fact, magnified the

problem and the technical people in every field of scientific and technical research have been devoting more and more attention to the need for the development of compatible computer systems using a common language.

As we all know, there is not just one system of computers. There are many different systems. These systems are used in the various industries and in different countries. It is essential that the information, if it is to be of value and capable of being exchanged from one country to another, must be stored in such form that it is compatible to the computers in other nations. I think all members of the house understand this. What I am trying to outline, Mr. Speaker, is what has already been done in the general field of standardization of technical words, terms and phrases. These steps to which I have referred have been initiated in international organizations and associations such as the international committee for pure and applied chemistry and by United Nations organizations such as the International Atomic Energy Agency or the United Nations Education, Scientific and Cultural Organization.

Since 1962, in fact, UNESCO, in co-operation with other member countries, has been engaged in the development of a long term, long range program for improving and co-ordinating scientific and technical documentation. The International Council of Scientific Unions, which I mentioned previously, in conjunction with UNESCO is meeting next month, in fact, in order to consider whether, taking into account the great diversity of scientific disciplines and the many differences in approach by member countries, it would be feasible to establish a world wide scientific information system. These and similar steps are I understand being taken in other scientific disciplines by other international scientific organizations.

• (5:30 p.m.)

Quite obviously, Mr. Speaker, there are inevitably going to be national jealousies in this field. For example I think that if today a United States scientist and a French scientist were working simultaneously on some new development each would, in the main, tend to use his own terms and it would be very difficult indeed for any international body to persuade them to use some other terminology. I say this because that is the way mankind deals with matters, when men and women are in the process of developing something to which they have devoted their lives and their talents. They are somewhat naturally averse to allowing the knowledge they have achieved through their own efforts to escape beyond their own realm of work, and to be captured, if I may use that expression, by a scientist in some other country who is working in the same field.

I think we have to accept the fact that there is such a thing as national pride, pride in one's own language, which goes very deep, even among men wholeheartedly devoted to the cause of science. For example, Mr. Speaker, one cannot imagine the Russians ever giving up the word "sputnik" because it represents to them, and quite rightly so in my humble opinion, a very great scientific achievement by their people.

Mr. Ryan: We should adopt that word.

Mr. Knowles: We already have.

Mr. Groos: That is what I am getting at.

The hon. member proposes that the Canadian government take the initiative at the United Nations to form a committee to work for the standardization and internationalization of scientific and technical words, terms and phrases. UNESCO, which would be the United Nations agency in which any such initiative should be taken, has already taken steps to encourage the development of standardized bibliographies and terminology. Scientists in UNESCO are already working on these problems through the various international scientific unions, and I am wondering whether we really need to set up one more large body to co-ordinate this work.

It would seem to me to be much more desirable to leave this problem at this stage in the hands of a scientific organization that is already working upon the problem, a view which I believe is strongly held by most scientists. Encouragement should be given, and assistance provided when requested of the governments concerned, to carry forward programs of standardizing scientific and technical terms in the various disciplines I have mentioned and in joint scientific bodies. If at any time the job is found too heavy for their resources, or the program of work too expensive, or if roadblocks appear which governments might help in removing, then through UNESCO let us press for a more active and extensive program. I would have no hesitation whatever in supporting such a proposition.

The Acting Speaker (Mr. Tardif): Order. I regret to interrupt the hon. member, but the time allotted to him has now expired.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desire to make a very few comments on the matter now before the house. I must admit I find myself both intrigued and somewhat puzzled by what has motivated the hon. member to move this resolution. It is a rather peculiar one because it calls upon the government of Canada to take the initiative through the United Nations to bring about the standardization and internationalization of scientific and technical words, terms and phrases which could readily be reduced to one word for all languages.

If my understanding is correct, those who deal with scientific terminology have had a scholastic education in acquiring their scientific knowledge, which basically was taught in either Latin, German or English. These are the basic three scientific languages that scientists understand.

Quite honestly, Mr. Speaker, I cannot understand the urgency of the government of Canada initiating through the United Nations the establishment of a committee to try to standardize and internationalize scientific and technical terms. However, I was most interested in the last part of the motion. Although the introduction refers to the standardization and internationalization of scientific and technical terms, the motion concludes:

> —in order to promote international understanding and facilitate communications between nations.

Within these words, Mr. Speaker, lies a wonderful idea and a beautiful motivation. But surely such a concept should not be concerned with scientific and technical terms and their standardization and internationalization. I would accept the last part of the motion because what we need is an international language between peoples, not just between scientists.

• (5:40 p.m.)

I would say from memory that it is more than 50 years since Esperanto was introduced as an international language. I think that any step which would bring into being an international language—not a language that deals only with scientific and technical terms—is a forward step. We need to facilitate international understanding and communication between the peoples of the world and not just between scientists. If the hon. member's motion helps to do that, I am sure that he will have 100 per cent support for his bill.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to make a few remarks on the motion of the hon. member for Spadina. He wishes to bring to the attention of the federal government the advisability of taking the initiative in the United Nations to establish a committee which would, with the consent of other member nations, standardize and make international all new scientific and technical words, terms and phrases. The hon. member's motion involves the broad problem of communication. We must begin somewhere to make standard our technical terms. His motion is also commendable because it touches on the field of scientific terminology.

During my life as a physician and medical student I have had considerable experience with the nomenclature used by the medical profession. To obtain admission to a faculty of medicine a student had to know Latin. Those of us in medicine use many scientific terms, the roots of which are in Latin or Greek. If one peruses the subjects of a medical course, expecially the subjects of anatomy, physiology, pathology, bacteriology and pharmacology, he realizes that the terminology used in those courses will be understood by those in the medical profession in all parts of the world, and must be understood by them as of necessity.

Verbal communication also is a problem for teachers who must travel through different countries and give lectures. It is also a problem for members of international conferences, when they address delegates from different nations. Communication is also a problem for the interpreters of translation services of the various professional bodies which sponsor such international conferences. For these reasons, as well as for others which have been outlined previously by the hon. member for Victoria, B.C. (Mr. Groos), I think the hon. member for Spadina is to be commended highly for bringing his motion before the house.

In the past, on two or three occasions, I discussed with him his intention of introducing a motion similar to this one. I am happy to say that I am in favour of it, and I hope that it will meet with the approval of the members of this chamber. From my experience at the United Nations, I know that communicating with those who speak different

languages from ours is a problem. Already many international agencies are trying to standardize, update and make available to all nations the fund of knowledge and the resources that certain favoured countries have at their disposal. We also know how slow the United Nations is to start any action such as that contemplated in this motion. We must begin at some time. In this era, when we are progressing rapidly in fields of science, and especially in the field of medicine and its basic sciences of physics and chemistry, I believe it is desirable that some international body should co-ordinate this work. For that reason, Mr. Speaker, I wish to support the motion of the hon. member for Spadina.

Mr. Winch: May I ask the hon. member a question? Is it correct that all those entering the medical profession throughout the world must know Latin? Is it also correct that prescriptions that are written anywhere in the world will be understood by a doctor in any other part of the world?

Mr. Haidasz: That was the practice in the past; I am referring to that part of the question which related to Latin. Recently, especially in English speaking countries, the trend has been to get away from Latin terminology. This sometimes brings about difficulties, when medical people from various countries get together. Traditionally, in the past, Latin terms were used. After all, medicine and most other sciences were taught in Latin. Originally they were taught in Latin, when teaching first began to be organized in universities. We have inherited that tradition but, as I say, the tendency is to get away from Latin.

I believe the hon. member for Spadina wants to make scientific and technical terms international and standard. In the light of new findings some terms in the English language must be updated. For instance I was reading a technical book about fluorosis. There are many such technical books, and they show the need to standardize technical terms. In view of the rapid progress of medical science and the interdependence of medicine on other sciences, such as pure physics and chemistry, that need exists, even in medicine.

Mr. Nasserden: May I ask the hon. member a question. Does he think it possible that we could improve the legibility of the average medical man's handwriting?

[Mr. Haidasz.]

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): I am not rising to respond to the question of the hon. member for Rosthern though, as a matter of professional courtesy, I might be said to be responding to my colleague who is in the medical profession. I am happy to do so, in that regard.

The remarks which I should like to address to the house on the motion of my colleague, the hon. member for Spadina, may be divided into three parts. The first is with respect to the difficulty posed by the unfortunate problem of language to any prospect of arriving at a satisfactory conclusion in this field. Second, I should like to give some indication of the work which is being done in this sphere, both by the government and by non-government organizations operating at the international level. I should then like to express my own feelings, from experience as an observer at the international level, why I do not feel that the United Nations, as opposed to private organizations, that is, organizations formed by representatives of the professions or disciplines, should be used for this purpose.

• (5:50 p.m.)

The motion deals in part with a subject which is close to the heart of human relationships, that of language. No more obvious support for this proposition could be indicated than the report which has been presented to this parliament within the past 24 hours. We have had this recent example of the tenacity of language and how dearly it is held by the groups which use it. The first comment I would make, therefore, must express a certain scepticism about our ability to arrive at a comprehensive standardization of terms given the great differences which exist between the languages of the human race.

The hon. member for Spadina said he would hope to achieve, through endeavours in the United Nations, a similarity between scientific words in various languages—that they should have the same spelling or pronunciation. I believe my hon. friend would agree there are obvious problems attached to this. It is true that although spelled in the same way, we all recognize, through an examination of the same words as used in German, English, French and Italian, how very different the pronunciation is. A more serious difficulty arises when alphabets such as the Cyrillic are used, or the forms employed when writing Arabic or Chinese.

The second of my observations is this: However imposing this difficulty may seem, I do not think there is any general dispute that a great advantage would be obtained by having a greater degree of standardization of scientific and technical terms throughout the world. There are obvious advantages attached to moving in this direction. The question is, not whether we should move in this direction but how we should encourage the development of this desirable state of affairs.

It seems to me—and this has already been shown by my hon. friends from Parkdale (Mr. Haidasz) and Victoria (Mr. Groos)—that the persons best fitted to carry on this particular task are those working in the various scientific and technical fields. Take for example the discipline of physics. It would appear obvious that the only persons who would know how to go about standardizing the scientific terms used in physics are physicists themselves. It is my understanding that physicists do in fact use a great many common terms and that they are making considerable progress through the International Union of Physics in developing common nomenclature. This international union, like other similar bodies in other sciences, has meetings and sets up committees to discuss terminology, amongst other matters.

This is an example of the kind of thing that is being done by non-governmental organizations composed of scientists or technicians working in a particular field, to develop standardization and internationalization of the language they use. If this is going on, and I understand it is quite widespread, then it does not appear to be necessary for governments to step in and attempt to have some very broad comprehensive committee tackle the problem, under the sponsorship of the United Nations.

I go on, now, to a further point which relates to the functioning of the United Nations itself. I personally am not convinced that the proposition put forward by my hon. friend from Spadina is one which the house should adopt. I would be fearful, lest by assenting to this resolution, and presuming the ultimate success of a comparable resolution within the general assembly we would be introducing governmental participation in a field which has hitherto been non-governmental. I should like to elaborate on this point.

Even during the worst period of the cold war it was possible for scientists on both sides of the divide between the nations to participate in exchanges of information about their particular specialties. What would happen, however, if governmental propositions were put forward to deal with this field? Inevitably—and this has been well demonstrated by what is happening within specialized agencies of the UN—political issues would be introduced into the field of pure science. For an example we need only look to the experience of UNESCO in recent years. The annual meetings of this organization have been bedevilled—I do not apologize for saying this—by the introduction of general international issues such as the problems of South Africa, the Middle East, and cold war politics.

A further example, of course, is the way in which political issues—

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

BUSINESS OF THE HOUSE

Mr. Rapp: Is there any change in the program for tomorrow or Friday?

Mr. McIlraith: No change.

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

HOUSE OF COMMONS

Thursday, December 7, 1967

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

MIDDLE EAST—REPORTED ARMS SHIPMENTS BY FRANCE TO ARAB COUNTRIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs, but in his absence at the moment perhaps I may direct it to the right hon. Prime Minister. In view of the announcement by the French government this morning that that government intended to remove its ban on arms shipments to the Arab countries, and the further announcement that it will be shipping aircraft and other arms to the Arab states while still maintaining the ban on arms shipments to Israel, is the government of Canada planning any protest to the government of France?

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker. I should like to consult the Secretary of State for External Affairs to see whether they have considered this matter in his department. He will be here later this afternoon.

NIGERIA—POSSIBLE MEDIATION BY CANADA IN CIVIL DISPUTE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): In the absence of the Secretary of State for External Affairs I should like to direct my question to the Prime Minister. In view of the impending visit to Canada of the Nigerian foreign minister, and the continued reports of appalling casualties in that country's internal struggle, will he be offering his good services toward mediating that dispute in a commonwealth country?

Right Hon. L. B. Pearson (Prime Minister): I am not sure that mediation of this particular matter is required at this time by Canada. Naturally we want to do anything we can to help bring this civil strife to an end. I will be seeing the Nigerian foreign minister tomorrow. No doubt he will bring this matter up if he wishes to have this kind of mediation.

NATIONAL DEFENCE

NATO—POSSIBLE REASSESSMENT OF CANADA'S MILITARY ROLE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime Minister a question regarding the NATO council conference which will be taking place in a few days. I ask whether the Canadian government is proposing to reassess Canada's military role in NATO. If so, does Canada intend to suggest the phasing out of the CF-104 squadrons; does it propose any replacement of these by another type of aircraft; and finally, does Canada intend to suggest the transfer of the infantry brigade or any part of it to a reserve position?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, at each annual meeting of the NATO council it is customary to review not only the force plans of the member governments but the policies of NATO countries themselves and the direction in which the alliance should be moving.

That will happen in Brussels next week. I believe there will be a report before the council, called the Harmel report after the foreign minister of Belgium who has been working on it with others, on the goals of the alliance. That will be considered as well as the force plans of member governments. So far as I know there is no proposal before the council which will change radically the force goals or the objectives of NATO. I do not think there is any reason to expect radical changes in Canada's contribution to NATO at this time.

Mr. Douglas: I have a supplementary question, Mr. Speaker. I should like to ask the Prime Minister whether the Secretary of State for External Affairs will be making a statement to the house on his return from the ministerial NATO conference, in view of the importance which this conference has for financial considerations as well as to keep the house fully informed on the government's policy vis-à-vis NATO.

Mr. Pearson: Yes, Mr. Speaker, I expect he will be back in time to make a statement to

the house before we recess for Christmas. It might even be possible to have a joint meeting of the external affairs and national defence committees, to which reference has been made, and to which he could make a more extensive report.

Hon. E. D. Fulton (Kamloops): I have a supplementary question for the right hon. Prime Minister. Is it the position of the government of Canada, and will it be reflected in the discussions with regard to the composition of the NATO forces in Europe, that decisions with regard to the continuation or the withdrawal of any components of the force will be taken unilaterally?

Mr. Pearson: No, Mr. Speaker. The decisions we take as a member of the coalition should be discussed and if possible agreed to by the other members of the coalition, as we would expect other members of the alliance to do.

[*Translation*]

HOUSE OF COMMONS

REQUEST FOR STATEMENT ON CHRISTMAS RECESS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Prime Minister. Has he set the date of the Christmas recess and that of the resumption of the session after the holiday season? Could he inform the house of those dates?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I know hon. members would like to know as soon as possible what the plans are so they can make their travel arrangements. Perhaps my hon. friend will permit me to delay my answer until tomorrow morning at eleven o'clock.

POLLUTION

TAX INCENTIVES TO PLANTS INSTALLING CORRECTIVE DEVICES

On the orders of the day:

Mr. R. K. Andras (Port Arthur): My question is for the Minister of Finance. Is it the intention of the government to extend beyond the present effective expiry date of January 1, 1968 the income tax regulation permitting industry an accelerated depreciation rate on equipment installed to prevent, reduce or eliminate water pollution? If so, will the government consider similar encouragement to industry to take action regarding air and soil pollution?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, this question has been asked previously by the hon. member for Essex South and by other hon. members, I believe. The government is giving consideration to the extension of the regulations affecting water pollution after January 1, 1968. I hope I will be able to make a definite announcement before the consideration of the budget is concluded.

With regard to the second part of the question, I have received many representations with regard to similar treatment in connection with air and soil pollution. The matter is under consideration, but I should say that it is of a different character. The regulations permitting an accelerated depreciation on water pollution devices and systems are in the law now and we have to make a decision about their extension. With regard to expenditures on air and soil pollution control, this is a new matter which requires very careful consideration before new action is taken.

Hon. Michael Starr (Ontario): I have a supplementary question, Mr. Speaker. In view of the fact that, as the minister said, the government has to make a decision now on whether to extend this concession to industry, will he not say whether the government intends to make it on a permanent basis rather than on the ad hoc basis which is the case at present?

Mr. Sharp: One of the reasons I hesitate to make more than just an announcement is that the point raised by the hon. member is being given consideration. I will make a definite announcement on it before the budget debate is over. The purpose of putting in a date was to induce industry to take action as quickly as possible. If you make this a permanent feature it changes the nature of the incentive. Therefore I agree with the hon. member that we have to decide one way or the other, whether it is for an interim period or indefinitely.

Hon. R. A. Bell (Carleton): May I ask a supplementary question. Is the Minister of Finance saying that during the course of the budget debate there will be new budgetary arrangements made and announced to the house which have not yet been indicated?

Mr. Sharp: No, Mr. Speaker, this is a matter of regulation.

Mr. Stanley Haidasz (Parkdale): May I ask a supplementary question. I should like to ask the Minister of Finance if there is any hope that in 1968 not only industry but private citizens will be able to benefit from tax incentives to encourage them to instal government approved anti-pollution devices and the use of cleaner fuels?

Mr. Sharp: Yes, this matter is under consideration in connection with air pollution write-offs.

Mr. P. B. Rynard (Simcoe East): I should like to address a supplementary question to the Minister of Finance. Has he had consultations with the provincial governments on the question of incentives, and was there a federal representative at the recent meeting in Toronto?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I might answer this question. This is a subject that was talked about with the provinces, and they are generally grateful for what exists in terms of tax deductions for anti-water pollution equipment.

Mr. G. H. Aiken (Parry Sound-Muskoka): I should like to direct a question to the Minister of Finance. In view of the fact that the question concerning pollution was addressed to him by one of the members on his side of the house, may we now ask whether he has become the minister of pollution instead of the Prime Minister, and whether we may now address our questions on pollution to him?

Mr. Sharp: I don't think the Minister of Energy, Mines and Resources would welcome questions being put to him about the income tax.

[*Translation*]

[*Later:*]

Mr. Pepin: Mr. Speaker, I realize I did not fully answer the question of the member for Simcoe East. He also asked whether the government was represented at the conference on pollution which was held recently in Toronto. Yes, my department sent Mr. Davidson who is head of the hydraulics section.

PUBLIC SERVICE

REQUEST FOR CONSIDERATION OF BOXING DAY HOLIDAY

On the orders of the day:

Mr. Gaston Isabelle (Gatineau): Mr. Speaker, I should like to put a question to the Prime Minister. Can he tell the house whether he intends to uphold the decision requiring civil servants to work on Boxing day and the day after New Year's?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): I think the Minister of National Revenue dealt with this matter yesterday.

Mr. J.-T. Richard (Ottawa East): I should like to direct a question to the Minister of National Revenue. Will the minister offer immediately for the consideration of this house an amendment to the Public Service Act to include among the legal holidays the days following Christmas and New Year's when such happen to fall on a Monday; or will he enter into immediate negotiations to reach agreement on this matter?

An hon. Member: A planted question.

Mr. MacInnis (Cape Breton South): The question was answered yesterday.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I have no intention of introducing any proposed changes in the legislation in this regard. Of course the question of statutory holidays, along with other fringe benefits, will be a subject for collective bargaining in the public service which this government has introduced.

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question to the Minister of National Revenue. When the minister is considering all these holidays will he also consider giving the people of Canada a holiday on April 30?

Mr. Benson: Mr. Speaker, from time to time when April 30 has fallen on a Sunday we have allowed people to file their tax returns on the Monday following.

FINANCE

INQUIRY AS TO RESULTS OF RECENT BOND ISSUE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a question for the Minister of Finance. I wonder whether the minister could now answer the question I asked first on November 10 and which he said he would answer in his budget speech, and which when that was not done I repeated last Friday, in connection with how successful the

Canadian savings bond campaign had been in comparison with former years, and particularly how much new money the minister estimated would come in from this source.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have had this reply on my desk for two or three days, and I was hoping the hon. member would ask his question again. In my budget speech last Thursday I mentioned that the Canada savings bond campaign had succeeded in raising a substantial amount of new cash during November despite the very adverse circumstances under which it had to be carried on. The latest weekly and monthly published statistics of the Bank of Canada indicate that the net increase in Canada savings bonds from November 1 to November 29 totalled $635 million. This compares to an average of $698 million for November in the past ten years.

As hon. members know, the government cannot count on all this as a permanent net addition to our cash, as redemptions traditionally exceed sales from late November on. In general the sale of Canada savings bonds lived up to our sober expectations. We could not, under the circumstances that prevail, have expected that this would be a resounding success; in fact it has been a comparative success.

Mr. Knowles: How sober were you?

PARLIAMENT HILL

INQUIRY AS TO MAINTENANCE OF CENTENNIAL FLAME

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Prime Minister at the request of a number of persons who have discussed this matter with me.

In view of the sustained interest in the centennial flame on parliament hill, would the government give consideration to continuing this flame on a perpetual basis as a symbol of national unity, if interested persons or companies donated the capital required to provide sufficient interest to pay for its maintenance in perpetuity?

Mr. Deputy Speaker: Order. I suggest to the hon. member for Kootenay West that this would be a very good question for the adjournment debate.

[Mr. Harkness.]

MANPOWER

PAYMENT OF UNEMPLOYMENT INSURANCE DURING HOLIDAY PERIOD

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Minister of Manpower and Immigration, but in his absence and because of the urgency of the question may I address it to the acting minister. In his reply to a question I asked yesterday the minister indicated that those who will be cut off for two weeks at Christmas and New Year's from the living allowance paid to those attending adult occupational training courses at technical institutes might be eligible for unemployment insurance during this period. My question is, will the two week waiting period for unemployment insurance benefits be waived in regard to these trainees?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I will have to take the question as notice, and I hope to be able to answer it tomorrow or Monday.

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO STUDY OF MARITIME PROVINCES WATER SUPPLY

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the minister of health and welfare arising out of the previous questions on water pollution. Water geologists have been expressing grave concern about water supplies in all three maritime provinces. Is the Atlantic Development Board giving any consideration to carrying out studies on desalinization, as well as water demands in such fields as the preservation and development of wildlife, recreation and electric power?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I will be glad to look into the details of the question and provide an answer later.

TRADE

SHOES—ALLEGED DUMPING BY COMMUNIST COUNTRIES

On the orders of the day:

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, in answer to a question raised yesterday by the hon. member for

Wellington South regarding alleged importations of certain footwear at dump prices, I would like to report that the Department of National Revenue has carried out investigations abroad, and on the basis of their report I have authorized the officers of the department to determine a fair market value of such imports.

The officials are now in the process of determining these values and it should be possible to advise the exporters of these determinations in the near future.

Mr. P. B. Rynard (Simcoe East): A supplementary question, Mr. Speaker. I wish to ask the Minister of National Revenue whether his answer is to apply to the textile industry and other industries that are in trouble?

Mr. Benson: Mr. Speaker, this is not a matter of being in trouble; it is a matter of determining whether goods are being dumped in Canada. I can assure my hon. friend that once we determine that dumping is taking place, we take every action we are permitted to take under the law.

CANADIAN BROADCASTING CORPORATION

SUGGESTED INTEGRATION OF OVERSEAS SERVICE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I wanted to direct my question to the Secretary of State, but I shall direct it, instead, to the Prime Minister. If the international service of the C.B.C. is to be spared the axe, will that service be fully integrated with the C.B.C., as the government white paper on broadcasting suggested it ought to be?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is one way of dealing with this matter. Perhaps my hon. friend would await the statement of the Minister of National Revenue tonight when, I suspect, this matter will be dealt with.

Hon. Michael Starr (Ontario): A supplementary question, Mr. Speaker. Will the Prime Minister consider looking into the possibility of having the C.B.C. absorb the cost of the international service and carry on that service?

Mr. Pearson: Yes. That is one way of dealing with the matter, Mr. Speaker.

[*Later:*]

Mr. Jack Roxburgh (Norfolk): I should like to direct a question to the Minister of National Revenue and ask him whether any consideration has been given to retaining the international overseas broadcasting program.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): This is the same question that was addressed to the Prime Minister a few minutes ago. I shall be saying something in this regard this evening.

[*Translation*]

BILINGUALISM AND BICULTURALISM

ALLEGED LIMITED DISTRIBUTION OF COMMISSION REPORT

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Might the austerity program of the present government explain the very limited distribution of the report of the Laurendeau-Dunton royal commission of inquiry on bilingualism and biculturalism?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. There is no desire on the part of the government to hold up that distribution in any way, shape or form.

[*Translation*]

Mr. Godin: I should like to put a supplementary question, Mr. Speaker.

Would the right hon. Prime Minister tell us why each member cannot have an English copy and a French copy of this document?

[*Later:*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, further to the question put by the member for Portneuf (Mr. Godin) to the Prime Minister on the report of the Laurendeau-Dunton commission, I realize that English copies are now being distributed to English speaking members and copies in French to French speaking members. Now, as some members would like to have two copies, one English and one French, how is it that they are being refused these two copies?

[*English*]

Mr. Deputy Speaker: Order. I think this question should be placed on the order paper.

[*Translation*]

[*Later:*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I would like to direct a question

to the Prime Minister. Does he consider the price charged by the Laurendeau-Dunton commission for its report on biculturalism, namely $7 million, as normal?

[*English*]

Mr. Deputy Speaker: Order. Maybe that question should be placed on the order paper.

NATIONAL SECURITY

THEFT OF ARMS AT CAP DE LA MADELEINE, QUE.

On the orders of the day:

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, yesterday I took notice of a question which was posed by the hon. member for Chapleau and which related to the theft of guns at Cap de la Madeleine. This is an offence against the provisions of the Criminal Code and the investigation is being conducted by the appropriate municipal and provincial police authorities. The R.C.M.P. is cooperating in the matter of identification by means of the national police service facilities.

ROYAL CANADIAN MOUNTED POLICE

POSSIBLE REMOVAL FROM TRAFFIC DUTY AT AIRPORTS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): My question is for the Solicitor General, Mr. Speaker, and is distantly related to the subject matter of the question the hon. member for Oxford asked yesterday. Would the minister give consideration to removing members of the R.C.M.P., of which I am sure we are all very proud, from traffic and ornamental duties at airports? Is the minister not aware that the force has lost some excellent men because they have had prolonged postings to these boring and frustrating duties?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, members of the R.C.M.P. at international airports are carrying out important criminal investigation duties. Certain newly recruited members are temporarily posted for traffic duty, as part of their training, before being posted to other municipalities across the country.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. I am fully aware that the R.C.M.P. deals with regulations concerning dope and that sort of thing, but is the minister not aware that members of the R.C.M.P. who have been posted for prolonged periods at airports have asked for and obtained their release?

Mr. Deputy Speaker: Order, please. Perhaps this question might be placed on the order paper.

PRIVILEGES AND ELECTIONS

REFERENCE TO COMMITTEE OF REPORT ON ELECTION EXPENSES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Now that the committee on privileges and elections has had referred to it the subject matter of a number of bills and resolutions which deal with the lowering of the voting age, and since the assurance has been given that the committee will meet, will the government now refer to that committee the report of the committee on election expenses, as it promised to do in the speech from the throne on May 8?

Right Hon. L. B. Pearson (Prime Minister): That seems to me to be a very good idea, Mr. Speaker.

Mr. Knowles: May I ask when this good idea will be implemented?

Mr. Pearson: Shortly, I hope, Mr. Speaker, when the committee is in a position to look into this report. Perhaps that should come later, after the committee deals with the matter to which the hon. member has just referred.

[*Later:*]

Mr. Heath Macquarrie (Queens): Mr. Speaker, I wish to direct a question to the house leader. It is prompted by yesterday's house decision to refer private members' bills and resolutions dealing with the voting age to the standing committee on privileges and elections. Is the government planning to take the appropriate steps to have the Canada Elections Act also referred, so that matters other than the voting age could be studied by the committee?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister dealt with this particular matter earlier.

Mr. Macquarrie: Mr. Speaker, I believe the house leader did not correctly hear my question. I referred not to the commission on

election expenditures but to the Canada Elections Act.

Mr. MacEachen: Mr. Speaker, I heard the hon. member correctly.

TRANSPORT

REQUEST FOR COMMITTEE CONSIDERATION OF REPORT ON ATLANTIC PROBLEMS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): My question is for the Minister of Transport. Has the minister yet had an opportunity to consider the advisability of referring the special study on maritime transportation to the standing committee on transport prior to its trip east?

Hon. Paul Hellyer (Minister of Transport): Not yet, Mr. Speaker. I had hoped to have the opportunity of doing so this morning but due to circumstances beyond my control that was not possible. Perhaps early next week I shall have an opportunity to discuss this matter.

RURAL DEVELOPMENT

DISCUSSIONS WITH PROVINCES RESPECTING ARDA AGREEMENTS

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I have a question for the Minister of Forestry and Rural Development. Can the minister advise us whether he intends to meet with the provinces within a short period of time to hold talks on the changing of the ARDA agreements, placing a different emphasis on the present agreements with the provinces?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry and Rural Development): Mr. Speaker, the present ARDA agreements will terminate on March 31, 1970 and consultations between federal and provincial governments will start next year.

[*English*]

Mr. MacEwan: May I ask the minister whether there will be any cut-backs in the funds available under the ARDA agreements during the next fiscal year?

[*Translation*]

Mr. Sauvé: There will be no reductions in the ARDA budget next year, Mr. Speaker.

[*English*]

FISHERIES

POSSIBLE EFFECTS OF RUSSIAN UNDERWATER EXPLOSIONS IN NORTH PACIFIC

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to ask the Minister of Fisheries whether he is now in a position to give the house any information in connection with underwater explosions in the north Pacific set off by the Soviet union. This refers to the question I asked the hon. gentleman on Monday.

Hon. H.-J. Robichaud (Minister of Fisheries): I have inquired of the international Pacific fisheries commission, and the commission is not aware of such explosions taking place affecting the fisheries of the north Pacific.

BRITISH COLUMBIA—PROVISION OF EMPLOYMENT FOR HERRING FISHERMEN

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Perhaps the Minister of Fisheries would like to take this opportunity to deal with the reply he got from his colleague the Minister of Labour in connection with the problems of the unemployed herring fishermen.

Hon. H.-J. Robichaud (Minister of Fisheries): Yes, Mr. Speaker. My colleague, the Minister of Labour, brought to my attention representations which were made to him on the occasion of his recent visit to the west coast, and I was pleased to advise him that we have decided to extend for another year the program of assistance for dogfish production and processing.

[*Translation*]

EXTERNAL AFFAIRS

BURMA—DETENTION OF CANADIANS IN JAIL

On the orders of the day:

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wanted to direct a question to the hon. Secretary of State for External Affairs, but since he is absent I will direct it to the Prime Minister and ask him to take it as notice.

Some time ago my friend, the hon. member for Kamloops (Mr. Fulton) and I asked the government to intervene with authorities in Burma about two young Canadians who

have been imprisoned in Rangoon for almost seven months.

I am told that the parents here fear for the lives of their children who suffer from dysentery. The authorities do not permit them to correspond with their parents.

Since the Secretary of State for External Affairs has been unable to obtain any results since that time, I wonder if the Prime Minister would not want to contact U Thant, secretary general of the United Nations, or the authorities in Burma, to secure the release and repatriation of those two Canadians?

[*English*]

Mr. Deputy Speaker: Order. I am sure the representation made by the hon. member has been noted.

[*Translation*]

Mr. Valade: Mr. Speaker, on a point of order. In view of the urgency of the matter and the fact that those two people are right now in a quite desperate situation and their lives may be endangered, I think the Prime Minister should give some reassurance to the parents and to other Canadians that are in identical circumstances.

[*English*]

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

PUBLIC SERVICE

PROTEST ON DESIGNATION OF EMPLOYEES AS SERVANTS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): I have a question for the Minister of National Revenue. In view of the fact that the minister made disparaging use of the word "servants" with reference to public service employees—which is the proper designation—and in view of the fact that I have received telephone calls from the president of the postal workers union objecting to the use of this word over a local radio station, will the minister withdraw this word and refrain from using it in the future?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): I suppose one could even object to calling members of parliament servants of the people, but I believe that people who are employed and paid by the public of Canada are servants of that public.

Some hon. Members: Hear, hear.

[Mr. Valade.]

AIR TRANSPORT

CANADIAN INITIATIVE TOWARD REVISION OF TRANSATLANTIC FARES

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): My question is directed to the Minister of Transport. Earlier this week I asked the minister whether the Canadian delegation to the meeting of the International Air Transport Association in Manila was undertaking any initiative toward obtaining a revision of trans-Atlantic air passenger rates, and the hon. gentleman told me he would take the question as notice. Can he tell us now whether the Canadian delegation has undertaken any such initiative at the Manila meeting?

Hon. Paul Hellyer (Minister of Transport): I do not have a report on that as yet, Mr. Speaker.

SEARCH AND RESCUE

NEWFOUNDLAND—INQUIRY AS TO MISSING PLANE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Minister of Transport. Will the minister please inform the house whether any trace has been found of the missing "Widgeon" plane owned by Air Transit Limited, which left St. John's, Newfoundland, on Wednesday, November 29, en route to St. Anthony, Newfoundland, with two engineers from the federal Department of Public Works St. John's office as passengers?

Hon. Paul Hellyer (Minister of Transport): Regrettably, Mr. Speaker, there is no trace of the missing aircraft at the present time. The aircraft left St. John's on Wednesday, November 29 and there was no further radio communication with the aircraft. Three hours after its departure the R.C.A.F. search and rescue organization was alerted that the aircraft had not reported and was presumed missing. Search and Rescue have conducted a search of 43,000 square miles, logging 215 hours of flying, but have so far been unable to find a trace of the aircraft. Both defence and civil aircraft have participated in this search.

Mr. Tucker: Is the search still being carried on, Mr. Speaker?

Mr. Hellyer: I think it has been terminated, but I would have to check on that in order to be sure.

[*Later:*]

Mr. Hellyer: Mr. Speaker, if I may I wish to say I have now received advice that the search for the missing plane is continuing. I thought this should be put on the record.

NATIONAL DEFENCE

REPORTED ESTABLISHMENT OF ARMED FORCES EXCHANGE SERVICE

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of National Defence. As part of the armed forces unification plan is the Department of National Defence setting up a Canadian armed forces exchange service and, if so, will this Canex organization compete directly with private business?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, the state of this matter is that we have made a study of the problems of the operation of non-public funds. There was a recommendation to defence council that we organize a board which would be called Canex, but that recommendation has not yet been implemented. A study group is going around the country to investigate the practicability of the plan.

Mr. Dinsdale: The minister answered the second part of the question. Is it contemplated that this organization would compete directly with private businesses in the vicinity of armed forces establishments?

Mr. Cadieux (Terrebonne): If it does compete, Mr. Speaker, it will not compete unfairly.

POWER

COLUMBIA RIVER—PAYMENT TO B.C. OF AMOUNT RECEIVED FROM U.S.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. When can we expect the next report of the Canada-U.S. joint engineering board on the Columbia?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): I do not know, Mr. Speaker; I will inquire. However, since my hon. friend is always interested in the Columbia I have some figures here which might be of interest to him. The sum of $11,100,000 for Duncan dam flood control was paid by the United States on November 22, 1967. The exchange rate applicable on the day on which this was deposited in the Bank of Canada's account in New York was $7\frac{15}{32}$ per cent premium on United States funds, and the amount of money transferred to the British Columbia government on November 23, 1967, was $11,929,031.25.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, December 6, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Monteith (p. 5118), and the amendment to the amendment of Mr. Lewis (p. 5128).

Mr. David Lewis (York South): Mr. Speaker,—

Mr. Deputy Speaker: Order. Maybe there could be a little less conversation in the house so we can hear the remarks of the hon. member for York South.

Mr. Lewis: Mr. Speaker, I have only a few minutes left. I argued yesterday that the budget before the house was inequitable in the taxes which it imposed as well as in the taxes which it failed to impose if the minister was convinced that he required added revenue at this time and that he could not wait until the regular budget next spring. Second, Mr. Speaker, I argued that the budget will not accomplish even the purposes which the minister said he wanted to accomplish. Third, and I suggested that this was the most iniquitous part of the budget, I argued that it is likely to slow down the economy and to create additional unemployment. Indeed, I suggested that this was one of the explicit and implicit objectives of the budget.

Today, Mr. Speaker, I want to suggest that another significant key to the thinking of the government is the cavalier way in which the Carter recommendations have been thrown into the ash can. The Carter report, I remind you, sir, makes a ringing indictment of our present tax system. To use its own words, it finds that system "inequitable in many important respects." It goes on to say that the combined effect of the various taxes, and again I use its words, is "such that low income individuals and families pay higher

taxes than is equitable when compared to middle and upper income individuals and families." Members of our party have been saying this for many years, and now it has been confirmed by an unassailable authority.

The point I want to make is that the government has before it a report made after years of study and analysis of many aspects of our economic life. Its conclusion is that our present tax system is unjust and inequitable. It makes very specific proposals for new fields of taxations and for the shifting of the burden from the low income to the higher income groups in the community. The Carter commission, in our view, is right when it said that the objective of equity in taxation should have a higher priority than most or all other objectives.

I think that the chairman of that commission and his colleagues must be admired and congratulated for making an equitable tax system their major consideration and guide. I appreciate that the recommendations of the report are radical and that some of them are complex, but I say that when we have a system which men of intelligence and integrity have found to be unjust and inequitable then it is surely time to change the system instead of trying to patch it up here and there.

I saw Mr. Carter on television on budget night. I was impressed by his thoughtful manner. If I remember correctly, in very measured tones he bluntly accused the government of having yielded to the lobbies and pressures of the special interests, and he named them: oil, mining, insurance, and similar interests.

So far as I have knowledge of the matter, and of course I do not have all knowledge, it is significant that the organizations representing the ordinary people of Canada, such as labour unions and the like, have all supported the basic philosophy of the Carter report, even though they may have expressed reservations on one or two details. They asked the government to implement the report but apparently their voice was not heard. The voice of the powerful prevailed, as usual, with this government. This, I suggest, is a great pity and a great injustice.

I want to conclude by making one final point as forcefully as I can. During the current year we have had a resurgence of pride in our country, justifiable pride. Unfortunately we have also had disturbing signs of continuing division. All of us in Canada, of all political parties and faiths, are determined to make every effort to overcome divisive influences in our country and to strengthen the unity and the purposefulness of our nation and our people in every part and in every province.

I venture to warn the government that economic policies such as are represented in this budget may do harm not only to the economy but to the great effort toward national unity and understanding, for I suggest it is clear that any reduction in economic activity, any increase in unemployment, any curtailment of government economic participation will have a larger and deeper adverse effect in those parts of the country which are already at a disadvantage compared with other parts. Such policies, in my submission, cannot but aggravate the regional inequalities in economic and social opportunities. This can do more to harm progress toward an integrated and meaningful Canadian unity than most other factors. It is for all these reasons that I moved the amendment which is in your hands, Mr. Speaker.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the amendment and subamendment now before the house constitute, in my opinion, a non-confidence motion towards the government.

The amendment blames the government for its extravagant expenditures, and the subamendment suggests that the government should have cancelled the special concessions granted to mining, oil and insurance companies.

I feel that the subamendment would bring about a further increase in prices in the field of mining or oil production and, probably, of insurance policies now being sold to Canadian buyers. This would still not provide a solution to problems.

Moreover, we have been saying it long enough: the Progressive Conservative party, just like the New Democratic party, are not suggesting anything new to what we have under the present system concerning the fiscal, financial or monetary system.

If we consider closely the mini-budget of the Minister of Finance (Mr. Sharp), we soon realize that it is simply maintaining the escalation to strip the Canadian people further or, in other words, to rob him more. Such a mini-budget will, by no means, restore the economic situation of Canada, no more than the preceding budgets have settled the problem.

Instead of making war on poverty, as the Liberal party claimed in 1963 at election time—an election promise repeated in 1965—the government is taking measures to increase the number of poor in Canada. That is the effect we will feel after voting the new taxes suggested by the Minister of Finance. I claim this budget represents an escalation not only to rob the people, but also to mislead them. At this stage, I will remind the Minister of Finance that last winter, during consideration in committee of the renewal of the bank charters under the Bank Act, he said that by reducing the chartered banks reserves from 8 to 6 per cent and by increasing the statutory interest rate allowed from 6 to 7¼ per cent, the little man would be helped in Canada, and would be able to borrow more and the banks would be more open to trade, to industry and to the development of the wealth of our country.

That is the first point. At that time, simply by reducing the chartered banks reserves by 2 per cent—by reducing them from 8 per cent as they were then to 6 per cent—the chartered banks were able to create $4 billion in new credits without depositing one additional cent in the reserve at the Bank of Canada. The minister claimed: This will make the Canadian economy healthier.

The second point is that the increase of the interest rate was likely to cost money to the Canadian people, to the worker, to the small businessman, to those who needed to borrow. Furthermore, this increase in the bank interest rate resulted in a later increase of the interest rate of finance companies. It is not always called an increase of the interest rate, but it is reflected in an increase of services, or service charges.

The third point is that somewhat later, the minister introduced a bill to increase the interest rate on housing loans.

• (3:30 p.m.)

In fact, for the Central Mortgage and Housing Corporation, insurance companies and banks willing to make loans for the building of houses, the rate of interest was raised to 8¼ per cent. There again, the minister told us: That is to give an impetus to the economy, to help the poor.

Now, when this bill to raise the rate of interest to 8¼ per cent on the building of houses was introduced in parliament, I immediately telephoned a senior official at the C.M.H.C. and asked him how much a small $15,000 house would cost at 8¼ per cent interest for a period of 35 years. Ten minutes later, the official called me back and said: Such a $15,000 house, at an interest rate of 8¼ per cent, after 35 years would cost the tidy sum of $46,059.30. This means three houses: two in interest only, and one for the citizen who needs it. And the minister told us then that it was to help the little man.

Take for instance, Mr. Speaker, the case of a 35-year-old Canadian who buys a new $15,000 house and who will pay for it over 35 years because he is looking for the longest repayment period and reasonable payments. At the end of 35 years, he will have paid back $46,059.30 but he will be 70 by then. Who will keep his little house after 35 years? The minister knows this and yet, he told us then: This increase in the interest rate, which dispossesses once for all the Canadian workers, is liable to help the average citizen.

Mr. Grégoire: That is without taking into account the municipal taxes.

Mr. Caouette: Yes, yes. We are talking about federal taxes right now; municipal, provincial and school taxes have to be added.

I will give you an example, based on my personal experience. I have a house in Hull, financed by the Mutual Life Company of Canada, and at the end of the year, I was given a balance sheet or statement of account, indicating I had remitted $1,536. Out of this amount, over $800 went for interests, and over $600 for taxes, so that, at the end of the year, I had repaid only $206, I think, of the capital on my house.

Mr. Matte: Why did you not buy it cash?

Mr. Caouette: The hon. member for Champlain is asking me why I did not buy it cash? For the same reason as all other Canadians, because cash purchase of a house is beyond our means. That is why we take financing plans, why all Canadians are more or less in the same boat.

Mr. Speaker, I said a while ago that the government was bringing in some projects designed to impoverish Canadians rather than help them. One of the highlights of the mini-budget, according to the press release of the Department of Finance, is the following and I quote:

> Anti-inflationary measures will be taken under the form of a drastic reduction of expenses and an increase of tax revenues, in order to make up almost entirely any budget deficit in 1968-69.

The minister states that they are anti-inflationary measures. In my opinion, a reduction of expenses and an increase of tax revenues can only mean a tax increase.

Now, when Canadians are deprived of their purchasing power and prices remain unchanged or tend to go up, are we fighting against inflation, or are we not rather promoting inflation? In the same press release, we also read:

> The government will reduce expenses concerning many items of the budget and it will reduce its loans within the program aimed at controlling inflation, lessening pressures on the capital market and minimizing tax increases.

Mr. Speaker, while it is stated that tax increases will be minimized, for the second consecutive time, a tax increase has been announced. And does the government believe that by doing so it is fighting inflation? If the works in progress are stopped, if projects are left in abeyance, it is obvious that the number of unemployed will increase in Canada. If the number of unemployed increases, those people will be unable to pay taxes as they are doing at the present time.

The tax system will have to be adjusted once again by increasing taxes for those who are still earning something. This means that we are living under an absurd system that does not take realities into consideration.

The Minister of Finance knows—as we have been saying time and again in the house—that instead of adjusting the monetary system to the physical potential of Canada, an attempt is being made to adjust the economic system to the financial possibilities, that is, the opposite of common sense. In private industry, in trade, in business, it is normal to adjust one's budget to one's financial resources. But, for a sovereign government, responsible for the monetary policy of a country like ours, to bow to the demand of such a system is a paradox, and quite inconceivable.

The minister is willing to reduce all sorts of things to fight inflation, but does he reduce the interest we are paying this year on the national debt, namely $1,300 million? He does not say anything about the interest we pay financiers, not one word. But the little man pays a surtax of 5 per cent on his income tax, and that is logical. Increasing federal tax on alchohol and tobacco again is normal. Reducing or slowing down the public works of the federal government is also logical, but we still continue to pay our tribute to the financial system.

According to the news release, the minister also said:

> A special surtax is proposed: 5 per cent on the basic income tax as from January 1, 1968; this will not apply to the low income taxpayer, because an exemption is provided for on the first $100 of basic income tax.

The average Canadian must pay about $300 or $350 in income tax a year, which means that there will be an increase of about $20 a year. Some might say that it is not so much, but $20 for someone who already does not have enough, who actually is short, it is already a lot, and the minister does not take that into consideration.

Federal taxes on spirits and tobacco are raised by 10 per cent. In this case, we get this answer: Well, those who do not want to pay such a tax simply do not have to buy liquor and they can stop smoking. It is an answer as good as any, but personally it is not a tax which worries me a lot.

Now, when the hon. member for York South (Mr. Lewis) said that it was again an attack against the small wage-earner, I feel that it is not so much the little man as the companies which will be the most affected, because they are the ones which make a lot of money and which, as a rule, buy most often from the liquor boards of the various provinces of Canada. They will help pay a share of that tax.

But I think that the tax restraints which are apparently essential to avoid a possibly

serious recession represent the main point in the budget. However, when the minister said:

• (3:40 p.m.)

After parliament has taken the necessary fiscal measures, the government intends to implement a program aimed at mobilizing public opinion—

It is to be expected that thousands of dollars will be spent on radio, television and newspaper advertising.

—in favour of voluntary, concerted restraints in respect to prices, costs and wage increases.

All Canadians will be invited to limit their activities, not to build right away; instead of "Do it now", it will be: "Do it later", wait till our financial situation is stabilized, wait till people slow down their way of life, then, we will be able to launch again the feverish rush of prices toward wages, of wages toward prices, as is the case since this government has been in power and, furthermore, as it was under the previous administration.

Another point is that fiscal reform will consist mostly in altering the present system instead of adopting completely different methods. What does this mean?

Instead of taxing on the one hand, they will be taxing on the other. But what about compression, restriction in the area of government expenses? The expenditures of the Department of National Defence may possibly be restrained to transfer or lend the amount saved to another department, but another department is asked to reduce its expenditures to the utmost in order to help another department or ministry. These are alterations and not new methods. One point remains nevertheless: we are still fooling around with a vitiated and vicious system and the Minister of Finance will not take a single step to get us out of such a system. Efforts are still being made to adjust the economic potential to the financial assets instead of adjusting the finances to the economic needs of the people, and that is where the fault lies in the whole system.

A former president of the United States used to say and I quote:

If the American people ever allow the private banks to control the issue of money, first through inflation then through deflation, the banks and the companies growing around them will despoil the citizens of their properties until their children wake up without a home on the continent their forefathers conquered.

Mr. Speaker, what Thomas Jefferson said in the United States 160 years ago we can repeat today in Canada, because we are truly being completely robbed of what our Canadian ancestors have helped to build and have left us as a common heritage, as a cultural heritage, as a material heritage, in short as a heritage from all points of view.

Mr. Speaker, the Minister of Finance mentioned three urgent and closely related objectives: first, to restrain the inflationary increases in prices, costs and cost of living that are undermining our prosperity; to ease the disturbing strains in the capital market that threaten our continued economic growth; and to meet in a non-inflationary way the costs of continuing public programs essential to social security and long-run national development.

The first objective suggests restraining the inflationary increases that are undermining our prosperity. At this point, we must pay the piper, a situation the minister himself had foreseen in his June 1967 budget. But the measures he proposed then have proved to be most inadequate.

The second objective is aimed at easing the disturbing strains in the capital market that threaten our continued economic growth. Here again, the same problem as in June 1967 is being faced. The solutions then applied by the minister have proved ineffective and ill-advised.

The third objective asks us to meet the costs of social security measures. But, in his present budget, the minister tells us that the implementation of medicare will require further tax increases or the imposition of a new tax to enable the Canadian people to afford medicare, and it is on that point that I found the speech made yesterday by the hon. member for York South completely inconsistent. He blamed the government for imposing taxes, but he felt it should change its fiscal methods, while retaining the present financial system.

He added that we needed a medicare system, better pensions for veterans, efficient economic planning and a system of priorities, all that thanks to increased taxes. But the hon. member for York South did not say who or where to tax, except, of course, large companies which, in turn, would increase

prices and, finally, the taxes would again be paid by the Canadian people, the Canadian worker.

The third objective is to foot the bill for welfare measures, like the Canada Pension Plan, but through non-inflationary measures. That is unacceptable, in my opinion.

First, Canada's economic situation does not allow us, as legislators, to promote a full and adequate program of social security. It allows us only to give with one hand and take back with the other, and in the end, that is taxation. According to the Minister of Finance, taxation is one thing only: the right to levy taxes, to empty the pockets of the Canadian taxpayers. That is taxation.

And when the provincial premiers meet in Toronto or Ottawa, as they did in Toronto recently, the first question that arises is that of taxation. As far as a new Canadian constitution is concerned, it is not so much a matter of deciding if French or English is to be spoken, but rather of deciding if the provincial governments or the federal government will continue to dig deeper in the pockets of the Canadian citizens. Here is what the new confederation, the new constitution is all about: taxation.

In fact, as soon as the representatives of the provinces parted in Toronto, the Minister of Finance introduced his budget in which he told us that he needed more money and that he was going to take it out of the pockets of the Canadian taxpayers.

The day before yesterday, the Quebec premier stated about the same thing. Word for word he said that we could not spend any more and that the people of Quebec must be resigned to accept tax increases soon.

The municipalities and school boards are in the same situation. Instead of going to the monetary source, where money is made, the minister goes where there is none and he says: everyone must reduce his expenses. In fact, he tells the school boards: stop building schools; to the municipalities: stop expanding; to the provinces: try to cut down your expenses to the strict minimum, and to us in Ottawa, we shall do the same thing.

But, when everyone is tightening his belt, the financial system continues to rob everyone, as it has done since confederation. That is the ailment of this confederation.

[Mr. Caouette.]

What will they do with the unemployed? They do not know. There is not a single program put forward by this government to take care of those who, this winter, will become unemployed as a direct result of the budget. The unemployed will simply have time to make more unemployed.

• (3:50 p.m.)

Mr. Speaker, we all remember, besides, December 16, 1966—almost a year ago—when the Minister of Finance said he had a wonderful Christmas present for the elderly of Canada. He forgot to add, however, that all Canadians would have to contribute to that gift. As a matter of fact, the increase in the old age pension was adopted and implemented, but it is not the government that paid for it; the Canadian taxpayers did, and the Bank of Canada did not intervene at all.

Let us briefly examine the situation prevailing at present for a Canadian taxpayer. He is faced with increased prices in every field: clothing, food, transportation, automobile, maintenance costs, insurance, municipal taxes, school taxes, provincial taxes and levies, and to top it all, a 10 per cent federal tax on tobacco and spirits, as well as a 5 per cent increase in the basic personal income tax.

Each one of those increases leads to a decrease in the purchasing power of the small wage-earner. Everyone must admit it, because that is due to the system. And so, the higher the cost of living, the lower the purchasing power of the individual, and while the Minister of Finance does his best to reduce the purchasing power, the more stocks accumulate in Canada. Industries, stores, warehouses are brimming over with goods. One needs only go down Rideau Street in Ottawa, for instance, or down Bank Street, or in any city in Canada, Montreal, Sherbrooke, Lac Mégantic, Rouyn-Noranda, to see how stores are splitting at the seams with goods. Special Christmas sales are being advertised even before Christmas. They no longer wait till after New Year's day. Before Christmas? Why? Because they have astounding quantities of goods. And, in the face of this production, this real state of affairs, the Minister of Finance does his utmost to reduce the purchasing power of Canadian citizens.

What logic, from the economic viewpoint. To reduce purchasing power, when the production is there, unsold, before the eyes of people who need it. Each increase brings a reduction of purchasing power. So, the more the cost of living increases, the less a person can buy.

Let us never forget that what counts is not what the taxpayer earns, but what he can buy. That is what gives the dollar, the monetary unit of a country, its value. I should think that the Minister of Finance is smart enough to understand that the buyer, if his dollar is taken away from him, can no longer buy.

Today, with all that organization, all this tax system, with federal, provincial, municipal and school taxes, what about the Canadian worker, the Canadian farmer, the white collar worker, the professional, the businessman. The businessman now has to contend with the system, and the government gives the example.

The Economic Council of Canada, in its latest annual report, anticipates a rise of 7 per cent in unemployment this winter. In the face of these facts, which nobody in this house can deny, let us put the following question to ourselves: Do we seriously think that the Canadian taxpayer is now in a position to face such measures?

Anyhow, the ostensible purpose of those measures is to take the purchasing power out of the Canadian taxpayers' pockets, in order to meet the excessive government expenditures. Such is the result of election promises; the people, the humble folk always end up by footing the bill. It is easy to make promises to the people; the difficulty is to administer according to their expectations and aspirations.

The present economic system does not reach its objective because it allows this criminal anomaly: misery in the midst of affluence. As I said earlier, instead of waging war on poverty, budgets which will increase even more the number of poor people in Canada are brought down.

Our financial system, one of the tools available to distribute our products and services, is based on a false theory. That system is responsible for the economic crises which regularly and periodically shake the Canadian people.

Social Credit, under its three basic proposals, wants first of all a national currency and not a currency borrowed in the United States which forces us to beg for permission in New York to develop our country, Canada. In my opinion, a national currency is a currency suited to our economic needs and our physical possibilities to ensure the development of our country.

In the second place, Social Credit asks for a two-price policy instead of a tax so to facilitate the normal marketing of production for Canadians who need that production.

In the third place, the Créditistes advocate the payment of a national dividend. This makes a lot of people laugh, because it is so much the opposite to taxes.

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Go on.

The Acting Speaker (Mr. Rinfret): Does the house give its unanimous consent to allow the hon. member to complete his speech?

Some hon. Members: Agreed.

Mr. Caouette: Thank you, Mr. Speaker, I thank my colleagues for having given me the opportunity to continue, during two or three minutes, so that I may state my feelings about the budget of the Minister of Finance.

I was talking about the national dividend, that is just the opposite of taxes and the taxation system. Some argue that the national dividend would promote inflation, but we maintain that it is the opposite, the antithesis of inflation and deflation, as it is the only means of maintaining a perpetual balance between purchasing power and national production, between production and services provided to the Canadian people. Taxes are the opposite of good judgment, when the dividend, which would not come from anybody's pocket, which would not increase prices and which would be paid directly by the Bank of Canada, according to Canada's economic status and the Canadian economic situation, would restore economic order, while we are now living in economic chaos.

We are going now through a period of inflation. However, we do not accept a national dividend and even less Social Credit. But we sure have inflation. Why? Because inflation results precisely from taxes and from the debt-money with which the government is administering Canada, somewhat like the example I gave a moment ago of the construction of a small $15,000 house which will cost $46,000 after 35 years. In fact, the government is at that point or, rather,

beyond that point since we will be paying this $1,300 million in interest only on the national debt or the same as the national defence budget. However, such a national debt or the interest we pay on it cannot put bread on the tables of the Canadian people.

Social Credit favours a dividend which would not be included in the prices and which would be paid directly by the Bank of Canada, according to the economic data on Canada. This dividend would restore economic order and increase the purchasing power without increasing the prices. Instead of hitting everybody with taxes while everybody has to live on credit today, the dividend would restore order, not overnight but gradually, until people would have the money required to buy the things they need.

This is, I think, the logic of an economic system which would guarantee the security and freedom of every citizen. It is for this security and freedom that the Créditistes offer their solution.

I know that some economists do not accept these solutions; they do not accept the dividend. In fact, some of them suggest that economic planning would solve the problem, where others advocate socialism as a panacea for all the economic problems of Canada.

Just yesterday, I heard the hon. member for York South (Mr. Lewis) say: If the government would nationalize the industries, it would solve the problem. In my opinion, this would not solve anything.

Before concluding my remarks, Mr. Speaker, I should like to read the statement made by an economist from Czechoslovakia, a socialist country, as you know. I quote:

> On June 7 last, during a conference delivered in Montreal, the most prominent economist of Czechoslovakia stated that, from now on, the public enterprises of his country should be economical or close their doors. Dr. Vladimir Kadlec, dean of the economics faculty at the University of Prague, added that his country was forced to introduce capitalist incentives to increase national productivity. Like Russia, Yugoslavia and other Communist countries, Czechoslovakia now recognizes that publicity, competition, personal initiative, individual ambition are tokens of prosperity. In the last five years, the national revenue has not increased a fraction of a point in Czechoslovakia and productivity has declined constantly. Moreover, the standard of living has never been so low and the cost of living so high.
>
> Moreover, fed up with a harassing bureaucracy, disappointed by an illusory social and economic planning, the Czech workers have lost the desire to work. Those are the reasons which drove the Communist government of Czechoslovakia to borrow certain methods and economic principles from the capitalist system. In spite of repeated and disastrous failures in the Communist countries, we find in our federal and provincial governments politicians who persist in leading our economy toward socialism. Under the guise of social progress, they never tire of putting to us the socialist alternative.

Mr. Speaker, we believe that private enterprise is the system which gives the best results in planning a nation's economy, because is there another one which can produce more and give a better output at the production level? So, it is up to a responsible Minister of Finance and government to organize a distribution system through a healthy Canadian money, so that all Canadian citizens will have their share of the national production, of the wealth of our country, Canada.

• (4:00 p.m.)

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a privilege to take part in this budget debate. It has been called a mini budget, though I believe the Canadian people understand better than at any time in recent years that mini-budget though it may be, it affects not only them personally but the whole of the Canadian economy.

I do not want to add to the statements which have already been made in one form or another about the seriousness of the situation in which we find ourselves at the present time, but I think it is imperative that it be emphasized to the government, to the Minister of Finance (Mr. Sharp) and, yes, to the Canadian people as well who may have some questions to ask concerning the financial situation at the present time, that we do in fact face very serious economic trouble. As I see the handwriting on the wall and listen to the remarks of the Minister of Finance as he rationalizes the situation in which we find ourselves and at the same time attempts to suggest the reason things are what they are and how they may be corrected. I find a great deal of similarity between the situation today toward the end of 1967 and that which existed in the closing days of 1962. The situation that developed in the early weeks of 1963 could well be a forerunner of what is going to happen in the early weeks of 1968. Certainly we do have reason for concern.

I share the concern expressed by the Minister of Finance, even though we cannot agree with the policies he is adopting or the justification for the tax increases that he has brought in. It was only last fall, if I recall correctly during the early days of September, that the economic council spoke very firmly in no uncertain terms about what it regarded

as the developing crisis. The bombshell report issued by the Economic Council stated very clearly that there was growing fear, which every day was becoming more noticeable, about what is happening in the Canadian economy. I am sure the government was not pleased at the time with what the Economic Council said, but what they said has come true and is becoming more evident day by day. Therefore the debate on this mini budget involving these tax increases and government policy, and also the statement that we expect to hear the President of the Treasury Board (Mr. Benson) make tonight, are very important and are tragic evidence that all is not well.

I was interested to see a couple of articles in the London *Free Press* on December 2 which evidently are what we can expect when the screws are tightened as they are being tightened now. For example, one company in the London area has closed down its production of heavy road equipment in Canada altogether. The company is a subsidiary of a United States company and all production has been shifted to the parent factory in that country. Another major company in the London area hints that there will be a shutdown at some future date. Some 68 persons have been idled by cut-backs as of December 2 and perhaps more people will be laid off in a few days at a second company. This too is evidence that all is not well.

Let me bring again to the attention of the house, Mr. Speaker, those things about which I believe Canadians are most concerned. First of all, interest rates have never been so high. Just today I received a letter from my own banker indicating that interest rates have been raised on ordinary bank loans by half of 1 per cent. Only a few weeks ago we were told that the interest rate on national housing loans had reached an all-time high level of 8¼ per cent. The cost of money for the normal carrying on of industry and commerce and for vital and necessary construction, such as home construction, is such that it has placed an additional, very severe burden on Canadians who are facing a cost of living that is spiralling upward as never before.

Second, Mr. Speaker, this year's budgetary deficit will be the biggest in the nation's history. The Minister of Finance has talked about the increase in government income as a result of the increase in taxes, but the amount the minister can expect to gain from these taxes between now and the end of the fiscal year will not have very much effect in reducing the over-all amount of the deficit which in a year of prosperity, as our centennial year has been, is higher than at any other time in the nation's history, either in war or in peace.

This situation, Mr. Speaker, just cannot continue, and obviously something is radically wrong with our approach to the financial problems facing the country. For example, look at the housing crisis. Housing starts this year so far as unit construction is concerned are far behind. There is no hope of catching up on the lag last year. As already mentioned in this debate, the cost of housing for the people who need housing and want to own a house has increased many times as a result of the increased cost of interest. How long can we continue in this way, Mr. Speaker? We all know very well that housing is important to the well-being of our nation, not only just to the economy but to many other aspects.

I am particularly concerned about the increasing prices facing our farmers. This is creating an extremely difficult situation. Prices for farm products are not even holding their own but are tending to go down. Yet the cost of production goes up. In western Canada in particular there is a crisis because the cash crop, which the farmers normally expect to dispose of in the early months following the harvest, has no market this year. The wheat quotas are just not there. Moreover, the price of wheat has gone down and the prices for hogs and cattle are hardly holding their own. As I say, the farmers are not able to sell their cash crop to pay for their harvesting operations or even their seeding last spring. This affects the entire economy, but the western agricultural economy perhaps more than the eastern economy is finding itself in extreme difficulty.

What is the prospect, Mr. Speaker, of even maintaining our grain exports? The devaluation of the British pound has certainly cast a shadow across the prospect of maintaining wheat prices at an economic level. The devaluation of the pound will not only affect Britain and the other countries which likewise devalued because they found themselves in difficult economic circumstances but will cause these countries to lower their demand for Canadian wheat. As a result of the devaluation of the British pound Japan is finding herself facing a very critical situation, though as yet she has not devalued her own currency.

Mr. Crouse: Wait a moment. The lights have gone out.

• (4:10 p.m.)

Mr. Ricard: Don't talk. The *Hansard* reporter cannot see to work.

An hon. Member: Black Thursday.

Mr. Thompson: We are grateful to the Minister without Portfolio for restoring light.

Mr. Chrétien: I represent a riding which has one of the oldest power generating stations in the province of Quebec.

Mr. Thompson: Before darkness descended on the house I was saying something about the difficulty that western agriculture finds itself in. Not only do we face the prospect that lower prices will be obtained for the products of western farms, and I am referring particularly to lower wheat prices, but since western grain is most important to the Canadian economy and since our western farmers face the prospect of losing markets, the entire country will suffer. Also, what is happening in China does not lead us to hope that we shall be able to continue to enjoy our grain markets in that country.

Another area which is of great concern to the economy of this country is that area of activity which relates to wages. Certain of our workers have demanded wage parity with workers in the United States. I am sure that no one in the house will begrudge any of our workers a living wage, especially in these times of rising prices. But it must be remembered that the Canadian worker is competing, so far as productivity is concerned, with the worker who lives in a nation that is more than ten times economically greater than our nation. This demand for parity will drive our cost of living ever higher and will increase the upward momentum of the inflationary spiral.

One of the greatest causes for this so-called inflation has been the unprecedented amount of government spending during recent years. The greatest factor in the inflationary problem is one which the Minister of Finance himself is responsible for creating. That factor is the enormous increase in government spending that we have witnessed during the last several years. Whether the Minister of Finance accepts the blame or not, statistics reveal that the rate of government spending at the federal level exceeds by far the rate of economic growth as well as the rate of increase in wages and the rate at which living costs are rising.

Some interesting statistics were released last week by the Canadian Economic Foundation. They show that the 3.5 million taxpayers who earn less than $5,000 per year pay nearly 50 per cent of their income in aggregate taxes yearly to governments at one level or another.

Mr. Sharp: May I ask the hon. member a question? Is he directing his criticisms also at provincial and municipal governments?

Mr. Thompson: Yes, I am, but now I am specifically directing it to the Minister of Finance. My criticism applies to governments at all levels. In his last two budget speeches at least the Minister of Finance has asked governments at provincial and municipal levels to exercise restraint. Yet he has permitted federal spending to run wild. The rate of increase in costs of government at all levels has been greater than the rate of productivity increase in this country. I venture to say that federal spending has grown at a greater rate than provincial and municipal spending.

The statistic released by the Canadian Economic Foundation reveal that the 1.6 million taxpayers who earn between $5,000 and $10,000 a year pay more than 50 per cent of their income in taxes. The average tax payment for that group amounts to $5,300. That amount is paid in aggregate taxes to governments at all levels.

The taxpayers' union reports that today the average taxpayer pays about half his income in taxes which include personal income tax, sales tax, property tax, automobile licences and all forms of hidden tax which pay for the cost of government. I have some statistics for 1965 which support the contentions of the Canadian Economic Foundation and the taxpayers' union. I could not get detailed statistics for 1966 but unfortunately government spending for that year reached an even higher level than in previous years. The figures for 1965 relate to net national income.

As at December 31, 1965, the gross national product of Canada was $52,056 million. As at December 31, 1965, our net national income was $38,940 million. This figure includes wages, salaries, commissions, income from the sale of products and from all other sources. In the fiscal year ended March 31, 1966, the interest that we paid on our debt amounted to $1,051.3 million. Also, in the fiscal year ended March 31, 1966, our direct national debt was $27,617 million, an increase over 1964-65 of $1,044 million. Bringing these figures down to a daily basis, I point out that the daily interest cost of our national debt

amounted to $2,881,121.30. The hourly cost was more than $120,000, and the cost per minute was approximately $2,000.

The truly alarming statistic is that which shows that federal, provincial and municipal expenditures in 1965 reached the astronomical total of $22,500 million. Of this amount the federal government spent $7,633 million or 34 per cent, the provincial governments spent $5,220 million or 23.3 per cent, and the municipal governments spent $9,596 million or 42.7 per cent.

Taking these costs and applying them to the net national income of the Canadian people we find that 57 cents out of every dollar that is earned by Canadians is taken back by governments at one level or another. If we include the net cost of government, that cost which is financed through taxes and not through other sources of income, we find that nearly 50 per cent of every dollar that is earned by Canadians is taken back by government in the form of taxes to pay for the cost of government. The taxes which I speak are taxes which are levied on net income; they are not paid out of the gross national product. They are paid out of the net earnings of the Canadian people.

It is easy to see that we face a crisis in government spending at this time. How any government can justify an increase in spending to the extent that has taken place during the last several years is something that escapes me. The unprecedented costs of government are driving our taxes and the cost of living ever higher. By increasing taxes the Minister of Finance is attempting in some small way to control the situation.

Another factor that must be considered when talking about increased government costs is the increase in welfare costs in Canada. I am thinking particularly of the prospect that medicare will be implemented in the near future. In so many words, the Minister of Finance—and his meaning is not hard to follow—says that it is not possible, considering the economy of Canada, for this country to bear the extra weight of medicare. At the same time he says that, politically, it is not possible to drop the program. I do not understand his logic. Only three of the ten provinces had shown any willingness to go ahead with medicare. Seven provinces say they do not have enough money to pay for their share of the medicare program. They imply that they would willingly see this program postponed for a long time.

Just in case the Minister of Finance thinks that I am away out in right field somewhere, may I refer to an editorial which appeared in the Montreal *Gazette* on November 30. It sums up the matter effectively in these words:

> All this has been dramatically illustrated in the case of the government's medicare proposals. The government has persisted with this plan, and is persisting with it still. But there is no evidence such a plan has any overwhelming public support. The evidence, on the contrary, is that this plan, in its present form, is beyond what the country wants, as it is beyond what it can afford.

• (4:20 p.m.)

> The fact is that the federal Liberals, though making medicare one of their chief promises in the last general election, came dismally to office without an over-all majority in the house. A medicare plan did not save the C.C.F. government in Saskatchewan from being voted out of office, nor did it bring it back to power in the recent election. In Quebec the provincial Liberals emphatically supported medicare, but they lost their election to a party that did not conceal its reservations about it.
>
> All this might have given cause for the government to reconsider whether it was really being precipitated into medicare by popular propulsion. But the evidence has continued to run against the plan. When the premiers of the provinces held their own annual conference at Fredericton this summer, they exchanged many doubts and criticisms of the plan. And the federal-provincial meeting last week showed most of the provinces (including Ontario and Quebec) quite unwilling and even unable to assume at this time the burden of paying half the cost of so expensive a scheme.
>
> How the government got started on this billion dollar spending proposition is something not yet fully explained. At last week's conference, Mr. Sharp said that the plan's cost would be equal to an increase in the personal income tax of about 12 per cent.

And we have had a 5 per cent increase in income tax in the meantime. The article continues:

> This would come about at the time when Mr. Sharp is talking of raising taxes to diminish spending deficits. How many taxes can people pay? How many are they willing to pay?
>
> Nor can it be said that the government entered into this proposition at a time when it seemed financially feasible. The warning signals were already flying when the plan was first advanced. All governments in the country were in financial trouble, and sinking deep into deficits. The need, even then, was to come to an understanding on priorities and capacities—to see what was needed most and what there was to pay for it.

The editorial states in conclusion:

> It is not possible for Mr. Sharp to go before the public with two propositions: one to clamp on more taxes to cover more of its overspending, and another to launch one of the most gigantic spending schemes, involving money-finding by the provinces, as well as by Ottawa.

This is the situation in which we find ourselves at the present time, a situation which

affects not only the poor people who pay taxes they cannot afford to pay but even bank presidents. I am sure that the reactions of the public to a speech made in Montreal by the president of the Canadian Imperial Bank of Commerce just three days before that editorial appeared on November 30 must have caused concern to the Minister of Finance. Referring to the taxation and financial policies of the government, Mr. Neil J. McKinnon told a conference of financial executives that a swindle had been perpetrated on the great majority of the populace who were least able to protect themselves against the consequences. Let me give an illustration of this. A man who bought a $1,000 government bond paying 4.5 per cent interest nine years ago could sell it now for no more than $790. Why? Because the price of money has been inflated, along with the price of everything else. And the $790 would not buy as much today as $600 would have done when the bond was issued to mature in 25 years. So the man who trusted his government with his life's savings has taken about a 40 per cent loss.

This is an illustration of the "massive swindle", to use Mr. McKinnon's words, which involves those least able to protect themselves.

The New Democratic party in its amendment has condemned the government for its financial policies. However, their spokesman, the hon. member for York South (Mr. Lewis), went on to expound the policies which he and his hon. friends believe the government should implement. What seems strange to me is that these policies are basically the same as those which have been implemented by a labour government in Britain as a result of which Britain has been brought to her knees financially, even to the point where she has been obliged to devalue the pound. And despite this drastic action her financial future for the next two or three years is far from being assured. Can hon. members not see that these financial policies being advanced as alternatives to what the government is doing are no better than those which the Minister of Finance is advocating? Surely the time has come when something different must be tried so far as economic policies are concerned.

We have wealth untold in this country, enough to meet the needs of every Canadian and more, without difficulty. It is not a problem of production; it is a problem of distribution. Money was designed and intended to be a means of distribution between producers and consumers. After all, there is no reason to produce anything except that somebody, somewhere, wishes to consume or use it. Yet the financial policies being applied by the present government and by the government which preceded it have, along with those suggested by the New Democratic party, proved incapable of coping with the problems which face us.

The time has come when Canadians themselves have lost confidence in their economy. Some people in this country complain in anti-American tones about the effect of United States investment in Canada. I will say again, as I have on other occasions, that Americans have more confidence in Canada than have Canadians themselves when it comes to investing capital. I say this because on a per capita basis Canadians are investing $3 in the United States for every $1 which Americans are investing here.

I came across an article the other day describing the way in which business had increased on the Chicago stock exchange. The writer stated that the sharp rise in this year's trading volume was attributed largely to increased trading by Canadians. It was Canadians who had pushed up the volume of business. Our own brokerage houses confirm that Canadians are move confident in the United States economy than in their own and more willing to invest their money in United States stocks and bonds than in Canadian development. I believe this is because the policies of our governments in Canada destroy the confidence of the Canadians people in their own economy.

It is true we are comparatively few, just 20 million people. Nevertheless, if we could only use our own credit, if we could only use our own know-how in the development of our resources, if we could only evolve our own financial policies to meet our needs, I do not think the financial situation we now face would turn out to be difficult in any way.

• (4:30 p.m.)

I should like to refer briefly to an editorial which appeared in the Edmonton *Journal* of March 15 because it supports the argument I am making. It quotes Mr. George Rogers, chairman of the Canadian Economic Foundation, as saying:

> Right now we are on a roller coaster, and we cannot get off. To keep prices from increasing we would have immediately to clamp a ceiling on government spending; and to reduce prices we would have to reduce total government spending by 5 per cent a year for several years.

The article continues:

> No realistic person expects a reduction in government spending, but who was prepared for the almost incredible budgetary estimates tabled in the Commons Monday? They forecast a staggering increase in federal spending.

So we have a staggering deficit now facing us which has resulted in the increase in taxes that is before us at this time.

> Payments to the provinces will increase by $340,000,000. Will provincial levies on the same taxpayers' pockets from which Ottawa extracts its money be reduced accordingly?

Farther on the article states:

> —Mr. Louis Rasminsky, governor of the Bank of Canada, directs attention to the fact that the expenditures of provincial and municipal governments last year rose more rapidly than their revenues.

This is the pattern at all government levels, but it is the example of the federal government through its policies which is leading the provincial governments to increase their expenditures. That is why there is so much fear at the present time about the implementation of medicare. It is going to involve the expenditure of half a billion dollars on the part of the federal government and an almost similar amount on the part of the provinces. Thus we go on and on increasing the costs of government.

This article also refers to the increase in the cost of old age universal pensions and the increase in the budget of the C.B.C. It refers to other expenditures and then closes with these words:

> The bill will be paid in higher taxes or higher prices through inflation—or both. Where will it all end? How many taxpayers would like the increases in total government expenditures to be not more than half the year to year increases in the gross national product?

I think most Canadians would say yes to that. This is the challenge that faces the government. Yet in the face of this challenge we find it advancing policies that do not lead to the solution of the problem. In fact they just increase the problem. This is the situation we face.

Having said this, Mr. Speaker, it would be wrong not to say something about the alternatives which I think could be implemented. For a long time Social Credit has been talking about policies, some of which have been adopted but all of which I believe one day will have to be implemented by governments in Canada.

If we are going to face up to the crisis caused by increasing government expenditures and increasing government deficits—I have said nothing about the increase in personal credit buying by Canadians, which has risen faster this year than in recent years—it will become imperative that money reform be implemented in a way that it is not being implemented at the present time. When governments believe that by increasing taxes they can correct inflationary trends in an economy that they describe as too hot, something is wrong with the logic of this stand because if increased taxes were the answer to the inflationary trends, in the economy today we would not have inflation inasmuch as there has been a rising pattern of increases in taxes over the years. There must be another alternative.

I believe that one of the alternatives that can be implemented is to bring in fiscal policies which will encourage Canadians to invest in their own economy. We have heard a great deal about the recommendations of the Carter report and about the necessity to introduce a capital gains tax. If succession duties were eliminated—these are forms of double taxation in themselves—it might be well to talk about the implementation of a limited capital gains tax, but we cannot have it both ways and expect to attain the objective that is our goal. Therefore rather than discouraging investment in Canadian resources, such investment must be encouraged. It is in this regard that tax reform is most necessary.

Beyond this it is necessary that we begin to use our own credit, particularly in those areas that relate to expansion of the capital development programs that are required for the services that governments must give to the Canadian economy. This again is a matter of encouragement. There is no more important need in this regard than housing. There is no reason why we cannot build houses today with money having a special category or classification which would not command the high rates of interest that commercial loans involve.

The Acting Speaker (Mr. Rinfret): Order. The time allotted to the hon. member has expired.

Mr. Thompson: I shall be very brief in finishing, Mr. Speaker.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to enable the hon. member to continue his speech?

Some hon. Members: Agreed.

Mr. Thompson: Mr. Speaker, I have mentioned housing as one of those areas where I believe capital must be provided at lower rates of interest than the rate on commercial loans. If we can provide capital in the form of soft loans to underdeveloped countries at an interest cost of three quarters of one per cent, then we should be able to provide money at 2 per cent or 3 per cent as an incentive to home production which would help expand our economy and develop our productivity.

• (4:40 p.m.)

We must not only hold steady on government spending but we must also give an example to our economy, to our workers, to hold steady as well. It seems to me that increases in wages and prices must follow closely in line with increases in national productivity. Moreover, in an automated society wage increases must be spread beyond the narrow corridor of workers represented by trade unions in special sectors where strikes can cause a national crisis. A country cannot stand a 30 per cent increase in wages in one year without massive effects on productivity and exports. The federal government must take the lead and keep its rate of spending down to something below the rate of increase in the productivity of the nation. Wage increases must likewise be kept down to that level. Beyond that we may have some hope of maintaining a cost of living increase which will bear some relationship to the increase in the productivity of the country. If we do not do that and support it with a different financial and monetary policy in areas of public development, then we are going to go from one crisis to another.

What concerns me and those in this party at this time is simply that we are on the verge of a crisis which is going to envelop us in such a way that we will not be able to control it in the way that the minister suggests we can control it now by these limited policies. Surely we must give something better than we are giving to the people of Canada in respect of the economy of this country.

Mr. Jack Davis (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, listening to the official spokesman for the official opposition one would think that running a budget deficit was a crime, that increased government spending should be outlawed, that inflation was an indictable offence and that devaluation of a nation's currency should be punishable by death. If this was true the hon. member for Perth (Mr. Monteith) would not be in the house today, nor would many of the former cabinet ministers of the Conservative party. The former leader of the official opposition, once the prime minister of this country, the hon. member for Prince Albert (Mr. Diefenbaker), would not be here. They would all have been hanged, drawn and quartered long ago. They would have been imprisoned in the late 1950's put into solitary confinement in the early 1960's, and would all have passed on to their last reward when the devaluation of the Canadian dollar took place in those good old, bad old days of 1962.

[The Acting Speaker (Mr. Rinfret).]

The present leader of the Conservative party does not escape this indictment. The hon. member for Perth talked about the present Liberal government as though it was the last of the big spenders. We on this side of the house are pikers by comparison with the record of the Stanfield government of Nova Scotia. If one is talking of expenditures his record is an impressive one, indeed. Over the past decade the spending of the Conservative government of Nova Scotia, led by the present member for Colchester-Hants (Mr. Stanfield), has gone up threefold. According to the Dominion Bureau of Statistics the net government expenditures of that province rose from $58 million in 1956 to an estimated $183 million in 1967.

Mr. Crouse: You might also say that Nova Scotia has had a balanced budget. Their budget has been balanced, and you should put that on the record.

Mr. Davis: We here in Ottawa have been dragging our feet by comparison. The federal government admittedly spends a good deal more money today than it did in 1956.

Mr. Sharp: Nova Scotia taxes and spends.

Mr. Crouse: You keep quiet and listen to this.

The Acting Speaker (Mr. Tardif): Order, please. I would appreciate it if hon. members on both sides would allow the hon. member to make his speech.

Mr. Davis: The federal increase in 1967 over 1956 is 70 per cent. But compare this with the 200 per cent plus record of Nova Scotia and one can see how government spending can really get out of hand. The quiet member from Nova Scotia may not have had much to say yet in the House of Commons, but he is like a man with a time bomb in his suitcase. The Halifax explosion

will have been nothing compared with the explosion which would take place in Ottawa if this country were ever unfortunate enough to have him as prime minister.

An hon. Member: It won't be long.

Mr. Davis: Former premier Stanfield was not alone in his big spending habits. Conservative premiers everywhere in Canada have been heaping one government expenditure on top of another. In Ontario, for instance, provincial expenditures since the mid-1950's up to the present time have gone up four times. In premier Roblin's Manitoba they have gone up four and a half times. This only goes to show that Conservative premiers are lavish spenders. Not only that, it also shows that these provincial governments have been mainly responsible for the increase in taxes which has taken place in this country in recent years.

What do the over-all statistics show? They show, as I said before, that federal government expenditure on federal account has gone up by roughly two thirds, or 70 per cent, over the past decade. Outlays by all of the provinces taken together, meanwhile, have gone up nearly fourfold.

The provinces, it is true, have had to deal with such top priority items as education, health and municipal services, but they have dealt with them in a lavish manner. And they have frequently turned to Ottawa for help in this regard. Witness the fact that Ottawa has been turning over increasing amounts of money directly to the provinces. In the mid-1950's it was turning money over to the provinces at an annual rate of $500 million. Now five times as much money is being turned over to the provincial premiers. Some $2.5 billion will be turned over to the provincial governments in the coming year. It is more than 20 per cent of our current federal budget and it shows why it has been increasingly difficult for the federal government to budget for a surplus, in the light of these payments to the provinces, at a time when the really big spenders are the provincial premiers who have been spending money as though it were really going out of style.

Perhaps for clarification I should deal in percentages. Ten years ago Ottawa spent about 16 per cent of our gross national product on federal projects and programs of one kind of another. The corresponding figure today is down from 16 per cent. It is more like 13 per cent. The federal government, in other words, has been taking less money proportionately out of the pockets of the Canadian taxpayers. The provinces, meanwhile have been much more ambitious. Together with the local municipalities, creatures of the provinces, they have accounted for the fact that governments collectively now spend about one third or roughly 33 per cent of our gross national product on government activities of one kind or another. Think of it. Federal expenditures on federal projects now add up to 13 per cent of our gross national product. But these are far outpaced by the spending programs of provinces, 16 per cent, and municipalities, 4 per cent. Together they make up the remaining 20 per cent. In other words, 13 per cent is spent by the federal government and 20 per cent by the provinces and their creatures, the municipalities.

Hon. members talk about deficits. Ottawa has been running a big surplus for years if we leave out the transfers to the provinces. It has been running a surplus in the order of 20 per cent. We would have a $2 billion surplus this year were it not for these payments to the provinces. It would be roughly 20 per cent of the federal government account alone.

Let me refer briefly to a comparison of the performance of the government of this country and the economy in the last ten years. Most of us know that the great depression occurred in the early 1930's when prime minister R. B. Bennett was in office. He was a Conservative so it should come as no surprise to learn that our late depression, the depression of 1957 to 1962, also occurred when a Conservative government was in power. This was the regime headed by the present hon. member for Prince Albert. It distinguished itself by running budget deficits which in absolute current dollars as well as in relative terms were the largest that this country has ever known.

Mr. Bell (Carleton): Get up to date.

Mr. Davis: A comparison between this fateful five year period and the last five years of the current Liberal administration might well be left to an independent authority, the Economic Council of Canada. Its latest annual report on current expansion since 1962 had this to say:

> —this represents probably the longest, uninterrupted expansion—and certainly the longest peacetime expansion—in Canadian history.

It also had this to say:

> It also constitutes the largest expansion in terms of the absolute rise in the volume of total

output and total employment. Even in terms of percentage change, the rise in industrial output was exceeded only by that occurring as the economy climbed out of the pit of the great depression.

Since the early 1960's "Canada has in fact experienced what could appropriately be described as a great expansion". Those are the words of the Economic Council of Canada. This certainly underlines the old saying that Liberal times are good times.

• (4:50 p.m.)

I should also like to draw attention to other figures and comparisons which appear on page 12 of the latest report of the Economic Council of Canada. The report shows that our national output has grown three times as fast in the last five years as it did in the years when the hon. member for Prince Albert was in power. It shows that productivity, that is, output per man hour in industry or industrial efficiency, if you like, has grown five times as fast. It shows that unemployment has been cut in half, from 7 per cent on the average in 1962 to around 3½ per cent today.

To those who are crying havoc I would also point out that our record of the last five years compares favourably even with that of the United States. The Economic Council of Canada said on page 13 of their report:

Although this great expansion was common to both Canada and the United States, its vigour was considerably more pronounced in Canada.

The opposite, unfortunately, was true in the late 1950's and early 1960's when the Conservative party was in power. So far I have been talking about big figures and round aggregates. I would like to be more specific. Annual investment in new plant and equipment fell between 1956 and 1961. Since then it has grown by more than 50 per cent. Exports have grown considerably. The hon. member for Northumberland (Mr. Hees) likes to take credit for his great export drive in those fateful years leading up to 1962, but the fact is that since he left office the rate of increase in our export sales has been stepped up fourfold. The amount of foreign exchange, in other words, that we are earning from selling our goods and services to other countries has increased immensely since the Liberals came to power.

So much for the past, Mr. Speaker. Things have improved a great deal, but we have current problems. Our biggest single problem is inflation, with which we have to deal now. Granted, it is not confined to Canada alone; it is a world wide phenomenon. But we have to learn, and learn quickly, to keep prices and wages under control. If we do not we will undermine the willingness of Canadians to save, we will hurt those people who have to live on fixed incomes and we will make the management process all the more difficult in industry and government alike.

Perhaps I should describe the situation in this way, that our economy is delicately balanced. It is balanced on a sort of knife edge, a knife edge with the abyss of unemployment on one side and the hazards of inflation on the other. Increased government spending may put more people to work but it will also add to the fires of inflation. Money wisely spent can make our economy more productive. Tax dollars spent merely to perpetuate the life of dying industries or of inefficiently operated crown corporations will cause inflation, and you can be sure of that.

The Minister of Finance, trying to operate in a free enterprise system, has several big levers which he can pull. He can expand our money supply and he can cut government expenditure. He cannot really tell business and labour what to do. From what I said earlier, the fact that federal income and expenditures now amount to only about 13 per cent of our national income illustrates that the leverage of the Minister of Finance in respect of the government's spending is less than at any time in our post-war history.

He can draw certain guide lines. If I have any criticism to make of the present government I would say it has not drawn and certainly has not published these guide lines to the extent I would like to have seen. I would like the government to indicate quite clearly what the order of magnitude of increase in prices and wages can be, what is the maximum that is tolerable in this country and what is the maximum that is consistent with a modest degree of inflation in Canada.

I would like to think that a guide line would be drawn tolerating an increase, if you like, a maximum increase, in prices and wages of the order of 5 per cent per year. We have had in recent years an increase in productivity of the order of 3 per cent. It has been slipping toward 2 per cent. If we have increases in wages and prices in excess of 2 or 3 per cent a year we have some degree of inflation. If we have wage and price increases of the order of 7 per cent or 8 per cent a year, as recent wage agreements, particularly in the larger industries and negotiated by the more powerful unions would indicate, then we are in for a substantial

measure of inflation. This trend must somehow be brought to an end.

I want to say a word too about the limited ability of the Minister of Finance to control expenditures in another sense. A very large part of his budget is fixed. It is fixed in the sense of interest payments. It is fixed in the sense of commitments in respect of pensions to our elderly citizens and in respect of transfers to the provincial governments, those very large transfers of funds which I mentioned earlier. So he has not too much latitude.

His latitude extends to perhaps one quarter of his budget. That latitude is such that he has to bear down heavily, whenever there is a call for economy on construction, on the types of projects which I am sure the fathers of confederation meant the government of Canada to build. One hundred years ago responsibility for building the railways and digging the canals of Canada was vested in the parliament of Canada; these things were the responsibility of the government of Canada. What is the equivalent today? Perhaps it is Air Canada. Perhaps it is in sending communications satellites into the heavens.

We should do this sort of thing and more. We should be building a second trans-Canada highway. We should even be assisting the provinces, directly and indirectly, in a much more effective way to develop a national power grid. National projects of this type should be cut, and certainly will be cut, under present circumstances when there is a call for economy, because the Minister of Finance has no real elbow room to deal with these problems.

In my view the provinces should look after such important matters as health and welfare, community services and much of the expenditure in respect of education. Ottawa should increasingly make sure that these programs are not only administered by the provinces but are substantially paid for by the provinces, that the provinces raise the taxes necessary to carry them out as well as administering them and taking the credit for them. I think this would leave greater initiative in the hands of the federal government and would put Ottawa back in the position of being the great developer, the builder of big projects, the instrument for building the Canadian nation and binding our people together.

I should like to deal with a few items that were mentioned in the minister's statement, items with respect to which we have had some figures, particularly in the spring budget, for example, I should like to deal with the size of the civil service. In recent years the federal government has been employing more people in its departments. The figure I have for 1956 is 172,000. For 1967—these are all from the Dominion Bureau of Statistics—the figure is 222,000. There has been a net growth of 50,000 federal government employees in the departments and in related agencies over the last ten years, an increase of 5,000 a year, on the average, or roughly 400 a month.

• (5:00 p.m.)

I looked at the figures in respect of the growth between 1956 and 1962. There was an increase of 25,000 in these Conservative years. From 1962 to 1967 the number of employees increased by another 25,000. So I do not think those who sit on the other side of the house can pretend to be any more virtuous than the present government when it comes to the hiring and retiring of civil servants.

I have looked at the number of civil service employees in relation to Canada's total population. For many years now it has been 1.1 per cent of the total population of Canada. If you add the crown corporations, the C.N.R., Air Canada and the C.B.C. you find that the trend, I am glad to say, is downward. So far as I am concerned it is not coming down fast enough, but it has been coming down.

In 1956 5 per cent of the nation's total labour force was employed directly or indirectly by the government, either working in departments or in federal crown corporations. The figure in 1962 was still 5 per cent. Today it is 4.5 per cent. It has gone down from 5 per cent to 4.5 per cent of our labour force in the last five years.

There has been a cut in the armed forces of the order of 25,000 in the last few years. On balance it just about offsets the increase in the federal civil service employed in departments. If you add all these figures together you get a substantial decline in percentage terms relative both to Canada's total population and to the labour force. This is an improvement but I would like to see an even greater improvement take place, for example, with regard to some of our crown corporations. Air Canada is a case in point. Here let me make a comparison between Air Canada and Northwest Orient Airlines in the United States. My reason for doing so is that the

number of miles flown, the number of passengers carried and the amount of freight carried were almost identical in the case of both companies in 1966. It is interesting to note that Air Canada, which is more of a monopoly than is Northwest Orient Airlines, had a higher load factor. It has a load factor of 65 per cent while Northwest Orient Airlines had only 55 per cent. Each aircraft had more seats filled in Air Canada's case.

I think we will all admit that Air Canada is excellent in the air. It has first class equipment and its safety record is second to none. This is borne out by the financial statistics. Both of these corporations spend about 20 per cent of their total revenue on what might loosely be called their flying operations. But there the similarity ends. Air Canada's traffic servicing, most of the Canadian travelling public will agree, leaves something to be desired. Still, Air Canada spent 14.3 per cent of its income on air traffic servicing while Northwest Orient Airlines spent only 9.4 per cent. Air Canada is a virtual monopoly. Northwest Orient Airlines, on the other hand, has to compete flat out with a number of other carriers in the United States. Nevertheless Air Canada spent 15.4 per cent of its revenue into sales promotion, exactly double Northwest Orient's 7.7 per cent in 1966. When it comes to general administration we see much the same thing. The figure for Air Canada last year was 3.9 per cent while that for Northwest Orient Airlines was 2.4 per cent.

There is another item in respect of Air Canada which bears careful examination. I note that the maintenance figure for Air Canada was 19.5 per cent, more than double Northwest Orient Airlines figure of 9.5 per cent. Why is this? I am told this is due to the servicing of a number of older Viscount aircraft, many of which will be taken out of service by 1970 or 1971. But the real answer is that Air Canada insists on carrying on a number of regional operations in this country. It is ont only in the big jet business but also in the smaller, regional carrier business as well. If Air Canada were to back out of this latter field and leave it to private enterprise I am sure that the subsidies required from the federal government would be much smaller than the losses incurred by Air Canada in carrying on this particular type of activity.

The real clincher, I think, is employment. Air Canada employs far more people than does Northwest Orient Airlines. In 1966 it had 13,718 employees. Northwest Orient Airlines, flying roughly the same number of people over roughly the same number of miles and carrying a similar volume of air traffic, employed 8,875 people. Our crown owned corporation, in other words, employed roughly 50 per cent more people to do a similar job in the air for Canadians.

Now I will refer to taxation. Air Canada paid to the federal government taxes of the order of $3 million in 1956. Northwest Orient Airlines, on the other hand, shouldered a tax burden of more than $46 million. In other words, last year the private company was yielding a tax payment to the United States economy of $46 million.

Last Thursday night when the Minister of Finance submitted his budget, I was glad to hear that Air Canada would be forced to go out into the money market in order to raise funds of its own. It will at least have to show how it expects to be able to pay interest on its bonds and have something to spare. In this way it will be brought into much closer contact with the business community. It will have to compete with other well managed industries for its funds. This is all to the good.

I should like to turn very briefly to another corporation, namely, the Canadian Broadcasting Corporation. This year the C.B.C. will be receiving $140 million from the federal treasury. In addition it will be earning, over and above that figure, at least $25 million in the form of revenue for advertisements shown on its television system or broadcast by radio. Let us compare this with the $14 million budget of the privately owned C.T.V. One is more than ten times the other. I understand that C.T.V. now reaches approximately 70 per cent of the Canadian viewing public. If I were to double its $14 million expenditure to allow for the fact that it does not reach into many homes in Quebec and other French speaking areas, and double it again to allow for it to reach into a number of outlying areas in the rest of the country which are not commercially attractive to private enterprise, the figure would still only be $56 million. Even this does not bear a favourable comparison with the very large figure for the C.B.C.

The Acting Speaker (Mr. Tardif): I regret to interrupt the hon. member but the time allotted to him has expired.

Mr. A. D. Hales (Wellington South): Mr. Speaker, in speaking in support of the amendment my remarks will centre around two words which appear in it, namely, the

"vacillation" and "extravagance" of the government. Within the committee framework of parliament we have had for many years a public accounts committee which has been charged with the responsibility of dealing with the Auditor General's report and with other financial matters which come to the attention of the house and are referred to this committee. I do not think that any committee of the house has been more diligent in bringing to the attention of the ministers and the house the waste and the extravagance which they have uncovered in the course of their work.

Last year the committee met very regularly. Unfortunately this has not been the case this year. Let me point out the government's vacillation in this regard. Last January 9 the report of the Auditor General for 1966 was tabled in the house and, mark you, Mr. Speaker, on April 5, three months later, this committee received its terms of reference from the house. Three months were wasted there. Immediately after the committee received its terms of reference it met, on April 13, and continued to meet until the house closed on April 26.

• (5:10 p.m.)

The house opened again on May 8. On May 19, under standing order 65, the committees of the house were set up. However, an organization meeting of the public accounts committee has not been called by the government. I believe there is no justification for this delay, no justification for the lack of interest in grappling with the nation's economic situation and dealing with matters that this servant of parliament, the Auditor General, has brought before it by means of his report. The government has ignored this committee and has not set it up.

Over the years this committee has dealt with various forms of waste and extravagance in government operations. The other day I read an editorial and it led me to think how wonderful it would be if we could have the Minister of Agriculture (Mr. Greene) as a member of the public accounts committee. The minister was attending an FAO meeting in Rome at which the representatives were discussing the operating costs of FAO. Of the total of $60 million contributed to this organization Canada contributes 4.1 per cent. There was a discussion of staff increases which since 1957 have amounted to 300 per cent. The minister had this to say:

If they lose faith—

He was referring to the countries contributing to this organization.

—these Canadian taxpayers, in the efficiency of our endeavours, if they come to believe that their taxes are but adding to the bureaucracy or to the pile of papers in some mirky vault, they will lose the will to participate.

This is what our minister said in Rome, and if he would just bring those words back to Canada they would make an excellent prescription for Ottawa. During his remarks in Rome he also said:

New funds are hard to come by and a dollar saved is a dollar earned.

Wouldn't he make a wonderful member of the public accounts committee? I hope he will instil some of these principles of thrift and saving into the cabinet of which he is a member. There was an editorial by Fraser Robertson in the *Globe and Mail* for December 1 headed "M.P.'s Also Responsible For Final Decision". He was referring to this terrible budget. I resent that statement because I feel that members of parliament have been sincere in bringing to the attention of the Minister of Finance (Mr. Sharp) the great perils and troubles of our economic situation. The public accounts committee, which represents parliament as a whole on public spending, when called into session, has been very diligent in its work.

Let us look for a few minutes at some of the recommendations made by the public accounts committee and what has been done about them. In the fourth report for 1963 the committee pointed out that the Unemployment Assistance Act was inadequate and that there were certain deficiencies in the shareable costs. However, there has been no action taken and there has been vacillation in this regard. The government introduced the Canada Assistance Plan, but it was not incorporated into the unemployment assistance scheme.

In the fourth report of the committee for 1964 there is a reference to the findings of the Glassco commission. At that time, out of the original 276 recommendations the committee found that there were 151 recommendations which had not been acted upon. If all these recommendations had been put into operation they certainly would have yielded substantial savings. I will give the government its due by saying they have implemented some recommendations since that committee report, but there are still many Glassco commission recommendations left outstanding.

The Auditor General had this to say concerning the Glassco commission, and I quote from page 3 of his report for 1966:

> Meanwhile, administrative overhead in departments and agencies continues to rise substantially in terms of staff needs and office costs. I advised the house last year that when this royal commission concluded its work in 1962-63, administrative overhead in terms of staff needs and office costs was to the order of $1,000 million. The comparable figure presently estimated for 1966-67 is $1,325 million, an increase of over 30 per cent during the past four years.

The Auditor General's report was presented to the government but we have seen no action and, if anything, there has been an increase in the above figures.

In so far as crown corporations are concerned, the public accounts committee made some recommendations. The crown corporations spend billions of dollars of the taxpayers' money, but no member of their boards of directors reports directly to parliament on their operations. We do not even have the Auditor General as the auditor for seven of these large corporations. I think we should at least have a representative when we realize how much money these corporations spend.

The crown corporations whose books the Auditor General does not audit are Air Canada, the Bank of Canada, Canadian National Railways, C.N. Security Trust, Canadian Wheat Board, the C.B.C. and the Industrial Development Bank. If the government does not feel the Auditor General should be the auditor, as the committee suggested, perhaps he could be co-auditor. Perhaps, on the other hand, the government would adopt the suggestion of the hon. member for York Centre (Mr. Walker) who had a private bill that was of great interest which would provide for one member of parliament being on the board of each crown corporation.

I should like to turn to some other recommendations the committee made which it was believed would at least prevent government extravagance and waste. There was a suggestion concerning the form of the estimates. The committee asked for a brief note to be included setting out the increases in the size of staffs of departments and crown corporations. In this way members would know which departments had increased in size. The Glassco commission made a very thorough study of the C.B.C. but the officials of that organization have ignored that report. It has been brought to the attention of this house but nothing has been done. Reference was made also to Governor General's warrants which are used when money is required and parliament is not in session. It is hardly necessary to list examples; they are all in the Auditor General's report.

• (5:20 p.m.)

Another recommendation that was made in 1964 was the institution of an accounts receivable system. Imagine a business as large as the government operating without an accounts receivable system, Mr. Speaker. What happens under such a system is that departments of government have a control figure to which is added the amount they have charged. The moneys then paid on account are deducted and the balance should correspond to the control figure. But during the course of our studies we discovered many departments had no accounts receivable control. Though some improvements have been made in this direction there are still many departments without any accounts receivable control system.

In its seventh report in 1964 the committee expressed great concern over the way inventories were being kept in the Department of National Defence. This department kept only a physical inventory, not one that itemized cost as well. The department knew how many items it had but not their cost. Imagine running a business in this way, Mr. Speaker, where the inventory consists of a physical count with no disclosure of cost or what it costs to carry the inventory. When equipment is turned over to Crown Assets for disposal a cost figure is required so as to set a resale figure. The recommendation of the committee would have prevented waste and extravagance but to my knowledge no action has yet been taken.

In our eighth report in 1964 we dealt with the subject of general election expenses. We asked the government to amend the Canada Elections Act so that any advance poll which had had 15 or less voters could be crossed off the list and would not have to be set up at the next election. But they did not do so. The result was that during the last election the chief electoral officer had to continue to operate these advance polls. It is startling to note that in the 1965 election there were 371 such polls with less than 15 votes, 16 polls with no votes, 20 with less than one vote and 20 polls with less than 2 votes. In all there were 427 polls which could have been struck off the list and taken out of operation. I inquired from the chief electoral officer what was the average cost of a poll and was informed that it was $136. This means that Canada wasted $58,072 simply because the government failed

to pass an order in council to correct a situation that was brought to their attention by the public accounts committee. This is the sort of thing that indicates a lack of interest or sincerity and in addition costs the taxpayers a lot of money.

Mr. Stewart: Would the hon. member permit a question at this point?

Mr. Hales: Surely.

Mr. Stewart: I should like to be a little more clear about whether this was a provision that was not included in the statute or a regulation which had previously been in effect but had been repealed. If it was a defect in the statute, when was the statute enacted? The hon. gentleman referred to "they", and I do not know against which group he is directing his criticism.

Mr. Hales: I think what the hon. member wants to know is when the act was last considered. When the Conservative party was in office it brought in the new act, but this is no excuse for the present government not passing an order in council to change the regulations. I understand it is possible under the act to pass an order in council to change the regulations, but this has never been done. Therefore, during the last election all of these advance polls to which I have referred were put into operation even though they were useless, unnecessary and costly. I hope that such an order in council will be put into effect before the next election.

Another waste of the taxpayers money occurred in the Department of Trade and Commerce. The Department of Trade and Commerce administers the Gas Inspection Act, the Electricity Inspection Act and the Weights and Measures Act, and these statutes provide for the imposition of fees to meet the cost of operation. In 1965 the committee reported that the department was losing money and for the year ended March, 1966 the cost of administration exceeded revenue by $735,000. This loss included salaries and expenses of district offices, but, Mr. Speaker, if we add to that the cost of labs, branch administration and services from other departments the loss jumps to $1,710,000. Nothing has been done to correct this situation. It is a question of raising rates for these services that are rendered by the Department of Trade and Commerce. There is much talk of the shortage of houses. The government contends that it has insufficient money to lend so that the houses that are needed in Canada may be built. This sum of $1,710,000 could build 120 homes each costing $15,000. I suggest this is an area where savings should be made.

The committee also made some recommendations in connection with revenues of the St. Lawrence seaway meeting expenses, but no action has been taken on them.

In the fourth report of the committee in 1966 the savings bank division of the Post Office Department was dealt with. There are about 300,000 accounts in this division, 200,000 of which are classified as dormant or unclaimed. The interest on these accounts amounted to $67,000 for the year ended March 31, 1966. The committee recommended that these unclaimed balances should be dealt with in the same way as the chartered banks handle them, but nothing has been done. This $67,000 lies dormant. These amounts should revert to the crown. Another five homes could have been built with the interest alone.

I could give all sorts of examples, Mr. Speaker, of the money that is wasted by the Department of Transport, particularly in the matter of ship repair. There was one case where the tender amounted to $43,346 but by the time the ship was finished the cost had risen to $130,851. The committee recommended that when extras were involved they should be handled on a cost plus basis, the profit to be limited to the percentage of profit realized on the original contract price. The entire contract should be subject to cost audit by government auditors.

Take the case of the *Bonaventure*, Mr. Speaker. We all know how much it cost to put that vessel in order, some $12 million. The committee also reported on the cost of abandoned design plans for a ferry vessel. Some $120,000 was paid to the architects although the Department of Transport and the C.N.R. never got together to discuss the plans. Before calling on the architects to draw plans they could not make up their minds whether the vessel was to be a full icebreaker or an ice-strengthened ship. As the result a loss of $120,000 was incurred. With that amount of money the government could have built eight homes at $15,000 each.

• (5:30 p.m.)

Another $55,000 went down the drain because the architects were told, after plans had been drawn for a ferry, that the Canadian National wanted provisions for extra rail car weights. Apparently this had not been included in the original plans. We recommended that basic data be completely verified before placing any request in the

hands of an architect. This is another example of how the government has brought about waste through its extravagances and failures. I could cite many other instances but I shall not take the time of the house to do so.

I spoke about crown corporations. The report of the Auditor General to parliament speaks of the many wastes and extravagances through which the taxpayers' money dwindles away.

I wish to say something briefly about the travelling expenses which this government has incurred. I have compared the travelling expenses of all departments of government for the year 1966-67 with those for 1967-68. In one year—mark this, Mr. Speaker—there has been an increase of over $18 million in travelling expenses for all departments of government. Yes, in one year. If we look at the various departments we see that travelling expenses for the Department of External Affairs increased by $833,000, the Department of National Health and Welfare showed an increase in travelling expenses of $830,000, the Department of Transport showed an increase of $965,000, and the Department of National Defence showed an increase of $9,439,000 in one year. If we average the total figure out among all the civil servants in all departments—one should include here every person, from the man who sweeps the floor to the deputy minister at the top—we find that approximately $400 per person was spent for travelling expenses in 1967-68.

What control have we over such travelling expenses? Is this government to go on permitting this sort of thing? Are we to have civil servants flitting all over the country, with one here, one there and two turning up in the same place where only one is needed to do a job? Is there to be no control over travelling expenses? Apparently all that civil servants must do is to put in a requisition and it will be paid. It is high time that the government looked into the travelling expenses that are being incurred especially when in one year they increased by approximately $18 million. I wanted to speak about increases incurred by other departments, but I see that I do not have enough time to do so.

I wish to spend some time talking about government surplus materials which are sold by Crown Assets Disposal Corporation. The worst offender in this regard is the Department of National Defence which divides the materials that are to be sold by Crown Assets into two categories. One category is "surplus but serviceable". In other words, this is another way of saying that the government bought too much of such material. The loss in 1966, in round figures, for such materials was $52 million. That figure is the difference between what the government paid for such materials and what it sold them for. The second category is "obsolete but serviceable". In that category the government incurred a $48 million loss. In round figures, for both categories the government incurred a loss of about $100 million. That amount of money could have built about 6,700 homes at $15,000 each, which are so badly needed.

I wanted to deal with some other government departments, such as the Department of Justice, the Department of Manpower and Immigration, the Department of Labour and the Department of Industry. I shall have time to deal only with the Department of Industry.

We all recall the debate on the bill which set up the Department of Industry. We in the opposition argued that the Department of Trade and Commerce could do anything that the Department of Industry was set up to do. But, oh no. We were told that by taking staff from the Departments of Trade and Commerce and Defence Production and putting them into the Department of Industry there would be hardly any increase in staff requirements. Consequently, when the Department of Industry was set up in 1963-64 it employed 274 people. The estimates for 1967-68 show that 783 people will be required for that department, an increase of 509 people or roughly 200 per cent. The Department of Defence Production in 1963-64 employed 1,699 people. The estimate for 1967-68 is that 3,684 people are to be employed. That is an increase of 1,985 people, or more than 100 per cent. The same picture holds true for the Department of Trade and Commerce. That department has added 298 persons to its staff, which is a 60 per cent increase. I could run through most of the departments this way and show that this government has been wasteful and extravagant all along the line.

In conclusion, Mr. Speaker, the illustrations such as I have given have been given by others over a considerable period of time. What I have said is not new; it has been said by every reputable financial writer and newspaperman in Canada for the past six months. People have lost confidence in this government. We have an outflow of millions of dollars from this country on the part of Canadians who are selling Canadian securities and purchasing United States securities. This

is shocking but it has been going on for some time. People have done this because they say that at least they lose their money through inflation in the United States only half as fast as they are currently losing it in Canada, and there are some other advantages.

I wish to conclude, Mr. Speaker, by quoting again the remarks of the Minister of Agriculture. He said:

> If they lose faith, these Canadian taxpayers, in the efficiency of our endeavors, if they come to believe that their taxes are but adding to the bureaucracy, or to the pile of papers in some murky vault, they will lose the will to participate.

I have not lost my confidence in Canada, Mr. Speaker, but I have lost confidence completely in this government and I propose to vote for the amendment.

• (5:40 p.m.)

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I rise to speak in support of the amendment moved by the hon. member for Perth (Mr. Monteith) in the hope that I may be able to assist in convincing hon. members that it is their patriotic duty to defeat this government and rid the country of an administration which has been notably inept in its handling of Canadian affairs.

Listening to the budget speech of the Minister of Finance (Mr. Sharp) I came to the conclusion that one of the most revealing statements contained in it, the statement which has the most far reaching effect, was the admission that it is almost impossible for the government to make any sizeable reduction in its budget. The minister explained how difficult it is to cut back federal spending. He had this to say as reported on page 4903 of *Hansard*:

> We make a large number of substantial transfer payments to the provinces and municipalities such as equalization payments, hospital insurance, aid for education and the Canada assistance social welfare plan, most of which increase automatically under statute or agreement with the province.
>
> We have in addition . . . major programs consisting of transfer payments to persons, including family and youth allowances, veterans' pensions and adult training allowances. All of these are also fixed mainly by population factors and by statute.

In other words, this government is not the captain of its own ship. It is bound by statutes and arrangements which have been made in the past to continue to budget at a very high level.

Mr. Sharp: Would the hon. member permit a question? Is he saying he is opposed to these arrangements or arguing that they should be fixed arbitrarily rather than by statute or on the basis of population?

Mr. Ballard: I think the Minister of Finance had ample opportunity to put forward his point of view and I would appreciate being able to put forward my point of view without getting into a lighthearted debate with the minister. I know he is very glib when it comes to putting forward questions but I would appreciate being able to continue my own remarks at this time.

Is it any wonder people think that the government's ship is floundering on the sea of ministerial irresponsibility? The minister went on to say that more than half of the anticipated increase in the budget was attributable to the type of uncontrollable expenditure he had described.

The point I am trying to make is that the government has lost control over a very large proportion of its budget, the portion which involves items which are fixed by statute or which represent programs of a continuing nature. This and future governments are committed to continue making expenditures on at least the present scale simply because hon. gentlemen opposite have bound themselves and all future governments to continue existing expenditures permanently.

Mr. Sharp: So did the Diefenbaker government.

Mr. Ballard: The government must bear responsibility for the unwarranted increase in the budget during its term of office. The argument put forward by the minister that federal expenditures accounted for only 16.8 per cent of the gross national product compared with 19.2 per cent in the fiscal year 1961-62 is entirely unacceptable. Similarly, there is no justification for rationalizing the federal budget by indications that provincial governments and municipalities spend more than Ottawa does. This is a facetious argument and it should not have been put forward.

I read an interesting article in the *Financial Post* of December 2, written by J. Harvey Perry, the executive director of the Canadian Bankers' Association who, incidentally, was a member of the Carter commission on taxation. He wrote:

> One of the recommendations which the Carter Commission nearly made, but didn't, is that one of the very earliest exercises in reviewing existing programs should be in the area of social welfare. I believe that in one of our drafts we had included such a recommendation but later we decided it was none of our business. However, if any part

of our present governmental financial structure comes even close to competing with the tax system for being unplanned, ramshackle and jerry-built, it is social welfare. Welfare is the No. 1 subject, following taxation, requiring an immediate and complete overhaul.

I must say in all honesty that I believe the Minister of Finance has exerted pressure in an effort to have the government take a new look at social welfare. This is long overdue, and Canadians outside the party which forms the government are placing a great deal of reliance on the minister in this connection.

The hon. gentleman brags, as reported at page 4902 of *Hansard*, that since this government came to office it has been "putting into place the major reforms required to complete Canada's social security system." I am pleased the minister acknowledges that the government has accepted responsibility for increasing Canada's budget from some $7 billion in 1963 to $11 billion in 1967. It will surely go down in history as being Canada's most spendthrift government.

Mr. Sharp: Oh, no. Nova Scotia is better.

Mr. Ballard: In addition to the huge expenditures already reported, and even in the face of the dire financial and economic situation with which this country is confronted, the government is committed to add yet another welfare scheme to the list, medicare, which it is estimated will add a minimum of $600 million a year to the federal budget and a similar amount to the budgets of the provinces. This is a glaring example of irresponsibility. Faced with a future fraught with economic uncertainty, hon. members opposite are adding another welfare scheme costing well over a billion dollars a year to what Mr. Perry calls an unplanned, ramshackle and jerry-built social welfare system.

The prospect of piling more taxes on the shoulders of already overburdened taxpayers in order to finance the proposed medicare scheme has brought protests from a large number of people and on their behalf I beseech the minister to use his influence on the government to postpone the implementation of medicare. I might say I have received letters on this subject from a number of people and organizations, including the Calgary chamber of commerce, protesting vehemently against the implementation of this scheme. In a letter to the Prime Minister (Mr. Pearson) from the Canadian Chamber of Commerce, dated November 17, the following paragraph appears:

The delegates at the Canadian Chamber's recent annual meeting voted in favour of a policy statement supporting the provision of finacnial assistance for medical care for those who need it, and, at the same time, unanimously opposed the introduction of the universal compulsory medical care program.

The Calgary chamber of commerce also wrote a letter to the Prime Minister under date of December 4, 1967, part of which reads as follows:

The executive council of the Calgary Chamber of Commerce has unanimously endorsed the stand taken by the Canadian Chamber of Commerce in urging the federal government to arrange for an indefinite moratorium on the introduction of a universal compulsory medical care program.

• (5:50 p.m.)

I could quote from numerous letters and editorials in support of this plea for postponement of medicare, but surely the minister is aware of the disillusionment among the public over the prospect of yet another increase in taxes. I think it must be evident to the minister and to the other members of the government that there is great concern, not only in the ranks of provincial leaders but among the general public as well, over the implementation of medicare at this time. A postponement, I suggest, would be the most prudent step for the government, considering the present economic situation in the country.

Glancing through the Montreal *Gazette* of November 30 I noticed that the column written by Mr. John Meyer had this headline, "Never a Federal Budget Less Fortuitous In Timing." I planned to read that column but before doing so my attention was drawn to the headline over the column next to it, "New Plan Would Cut United States Deficit $11 Bln." It revealed an unusual situation. The most prosperous country in the world is planning to cut its budget by $11 billion through two different methods. One is to increase taxes and the other, surprisingly enough, and this should commend itself to the Minister of Finance (Mr. Sharp), is to cut $4 billion from its spending in the current fiscal year.

This could be the theme for a comic opera, with the richest country in the world intending to cut its spending estimates while its next door neighbour, faced with inflation, gives no thought to cutting expenses in the current year but can only suggest an increase in taxes as a solution to its problems.

I think it is worth while to quote a portion of Mr. Meyer's column because it is indicative of the feeling across Canada in connection with this budget. It reads in part as follows:

> It's difficult to imagine the timing for the budget being less fortuitous than it is. The economy has lost way and is wallowing in the cross-currents of indecision.

I do not know whether he meant the economy or the government when he wrote about indecision.

> The public mood is one of weary resentment of government fumbling. The budget itself can offer nothing to inspire. It is, after all, hardly more than the belated correction of a gross miscalculation, or rather a series of gross miscalculations, over the past two years.

Farther on he wrote:

> If Mr. Sharp is to be criticized, it should be for failing to have persuaded his colleagues in cabinet before now to the dangers of excessive spending.

This is why we on this side of the house are critical of the actions taken by the Minister of Finance. He is not fulfilling his responsibilities as the minister charged with jurisdiction over the Department of Finance.

Now I want to say just a word in connection with the planning of future expenditures by this or, in fact, by any government. I believe that in government circles it is just as necessary to plan future expenditures as it is in private industry. The government should set up a committee of the house to study the different problems and the necessity of spending for the future, for 10, 25 or 50 years ahead. This committee should assign an order of priorities to the different areas of spending. It should also be charged with the determination of the source of funds to finance future spending. It is not good enough for the government to work out a theory of spending on something it considers necessary, such as medicare, without giving any thought to how much it is going to cost and where the money is to come from.

Medicare is a good example. The minister in charge has said it will cost $600 million in the first year, but I contend members of the government do not know whether it is going to cost $600 million or a much higher figure. At the time the legislation was introduced they had no idea whence the money would come to pay the bill. That is one of the reasons we are in a mess today. It is one of the reasons we are going to be faced with increased income taxes six months from now to cover this unplanned increase in government expenditure.

The committee of which I speak should also be charged with the responsibility of allocating tax revenues between the various levels of government in order to undertake the priorities that are determined by the proper level of government. Priorities are necessary to cover such items as housing, public housing, assistance to the home owner through N.H.A. mortgages, government participation in urban transportation, social welfare plans, and government assistance from the various levels toward the control of pollution—air pollution, water and soil pollution. The committee should also assign a priority to water supplies and to the problem of waste disposal, both domestic and industrial.

One of the things I have mentioned in this list of priorities is urban transportation. It is entirely unacceptable for the government to sit idly by, realizing that 80 per cent of the people of Canada will live in urban areas by 1980. At the present time over 70 per cent live in urban areas.

The Canadian Federation of Mayors and Municipalities has made representations to the federal government in this connection. In their report in January this year on urban transportation they said:

> The requirements of the multiplying numbers of the urban population for educational services, welfare services, hospitals, roads, water and sanitary facilities, etc., have placed a severe financial strain upon the principal source of municipal revenues—the tax on real property.

I might say that the government appeared to give some credence to the plea of the municipalities for help from senior levels of government, because when the Prime Minister was speaking in Calgary on March 29 of this year he said that "there is also a growing body of opinion that federal aid can no longer most effectively play its role in community development" without providing "transportation corridors in future environmental development."

The chairman of the Winnipeg committee on streets and transit has said:

> There has to be a review and a realignment of the priorities by all levels of government,...that money should be spent on problems where people are, and certainly one of the basic necessities in urban growth and development is a healthy, efficient, public transportation system.

• (6:00 p.m.)

I am not only suggesting that the government needs to set up some body to study the future necessities of this country and of the people of this country, and to assign priorities to them. It must also plan for raising

money so that we do not again get into the terrible financial and fiscal mess we are in today under this irresponsible government.

Mr. Deputy Speaker: Order, please. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, in commencing my speech I should like to request from the house a little extra time in order to complete the speech. I do not think it will be unduly long, but since hon. members have asked for details, and there are a great many details in my speech, I would request permission from hon. members to continue slightly beyond the normal limit of time.

The Acting Speaker (Mr. Rinfret): Is it so agreed?

Some hon. Members: Agreed.

Mr. Benson: Mr. Speaker, we in Canada are living in a dynamic society, a prosperous society and a society in which the lot of the underprivileged, the oppressed, the sick and disabled within our country and the lot of the less fortunate throughout the world bears on the conscience of each and every one of us. All members of this house regardless of their political affiliation share a deep concern for the welfare of the Canadian people and our fellow men throughout the world. During the past five years, Mr. Speaker, while I have had the good fortune to be a member of this house what has impressed me most has been the enthusiasm of all of us to do our best to better the lot and provide security for the necessities of life and hope to the underprivileged. I think back on legislation such as the Canada Pension Plan, the Canada assistance plan, supplementary old age pensions, youth allowances, student loans, increased aid to universities, area development, manupower mobility, manpower retraining, industrial incentives, incentives for control of water pollution, and a myriad of other beneficial legislation that has been passed.

Mr. Knowles: Did you forget medicare?

[Mr. Ballard.]

Mr. Benson: I think also of the emergence of a national purpose out of these parliaments—a national flag, centennial celebrations, the greatest international exposition in the history of the world—

Some hon. Members: Hear, hear.

Mr. Benson: —the recognition of the old and yet new problems of two founding peoples who have lived and must continue to live in peace and harmony to develop and exploit for the sake of their children, this the richest country in the world. We in parliament are often maligned as overpaid, underworked imbeciles who try to govern this vast country.

Mr. Knowles: Speak for yourself.

Mr. Monteith: What a line.

Mr. Benson: I would challenge our detractors to indicate how more could have been done in a democracy for the good of all the people of our country than has been done through the efforts of members on all sides of this house in the past five years.

I must not be completely non-political and before moving on to the more mundane matters of finance I would point out that all that has been accomplished in these years has been accomplished at least through the leadership of a Liberal government under a prime minister who will, I am sure, be judged as one of the greatest of all those eminent Canadians who have contributed so much to our great country.

Some hon. Members: Hear, hear.

Mr. Churchill: Don't spoil your speech.

Mr. Korchinski: You will have to explain that.

Mr. Benson: Now, Mr. Speaker, I must move on to the difficult but necessary task which it is my lot to have to perform tonight. Over the past five years we have enjoyed unprecedented prosperity in Canada. That is why you and I as members of parliament have been able to do so many of the, I believe, farsighted things which have been done for the average Canadian whom we try so hard to represent.

When I first entered politics I looked on government as a great morass of inefficiency. I have since found that this is not the case.

Some hon. Members: Oh, oh.

Mr. Benson: Government in Canada is a vast organization but it is much more efficient than I as a layman or most people think it is. We have, contrary to some public opinion, in our civil service a great many men and women, and I could name hundreds of them that I have come to know, whose main purpose—

Mr. Grégoire: Name them.

Mr. Benson: —in life is to assure that the wishes of this parliament, and we represent the views of the people of Canada—other than the hon. member for Lapointe (Mr. Grégoire)—are carried out as efficiently and economically as possible.

Some hon. Members: Hear, hear.

Mr. Benson: In this connection, I would cite the great changes in the administration of our affairs which were not only facilitated but actually pressed on the government by the public service and in this regard I refer you to my speech to the house on October 10 last. No greater revolution in administration anywhere in the world has taken place than in our public service in the past five years.

We in Canada are the most fortunate people in the world. Let us realize this and look upon my remarks which follow in a vein similar to that of a large business which must from time to time reflect and review its prospects. As anyone in business knows, we must from time to time review our priorities and readjust our spending plans to live within our revenue. We must make hard decisions in order that in the long run our business may prosper. We must not give up the great opportunities we have in the future but rather invest more in these by cutting and trimming things which appear less important to us at the present time.

When the Minister of Finance (Mr. Sharp) introduced his supplementary budget proposals last week, he indicated that I would follow up on his remarks relating to expenditures and provide the house with further details as to the efforts the government has been making to restrain its planned expenditures for 1968-69 within a prescribed ceiling.

I am happy to honour that commitment tonight and to provide the house at the same time with information as to the steps which the government is taking to effect a substantial reduction in the rate of growth of the public service of Canada.

The Minister of Finance has already stated the specific goal which the government has set for itself in the fiscal year 1968-69 which is to contain over-all budgetary expenditures in 1968-69 within a ceiling of $10.3 billion, exclusive of expenditures for medicare, and for the writing-off of the Expo deficit.

With reference to this objective, the Minister of Finance has forecast an expenditure level, on budgetary account, of $9.9 billion in the current year. This means that the year to year increase in budgetary expenditures from 1967-68 to 1968-69 will have to be held to an amount of $400 million, which, in percentage terms, is barely 4 per cent above the expenditure level of the current year and 3.3 per cent on variable expenditures.

• (8:10 p.m.)

With reference to the civil service restraints, the growth rate for the federal public service will be drastically cut, under the plans which the government intends to implement. The reduction here, despite the increase in the number and size of tasks which the public service will be asked to undertake, is of the order of 50 per cent or more. In recent years, as a result of the great expansion of existing governmental programs, and the addition of important new ones established by this parliament, some of which I mentioned earlier, the public service has been growing at the rate of 10,000 to 15,000 annually, depending on whether or not the employees of a number of crown corporations are included in the public service for purposes of the calculation.

Mr. Lewis: Mr. Speaker, I apologize to the minister but I wish to rise on a point of order. One cannot help but notice that members on the other side of the house appear to have copies of the minister's speech. I do not begrudge it to them but I think it should have been made available to all members of the house.

Mr. Monteith: Hear, hear.

Mr. Benson: Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) has a copy of my speech before him, and all hon. members may have copies if they so wish. I believe copies are available in the lobbies. If not, hon. members can go to our lobby to get them.

For the public service, exclusive of crown corporations, the growth in the size of the approved establishment for 1968-69, that is to say the number of positions authorized which is larger than the number actually filled at any one time, will not be allowed to rise by more than 5,000 above the numbers now

authorized for the current fiscal year. This amounts to a growth rate for the public service proper of approximately 2 per cent in fiscal year 1968-69, compared to a rate of 4 per cent or more in recent years.

I might mention, in passing, that the annual increase in the post office alone, in order to keep pace with population growth and work load, is inevitably 2,000 or more annually as shown by the actual experience of recent years. I mention this fact so that hon. members may see more clearly the significance of the limitations on growth that are now proposed for 1968-69. The 5,000 limit to which I have made reference will have to include the increased numbers required for the maintenance of adequate postal services, as well as the requirements of all other departments and agencies. This means that, if the added staff requirements of the Post Office Department alone in 1968-69 are 2,000 or more, and this is a fact, then 2,000 of the additional 5,000 positions to be made available will have to be reserved for the Post Office Department leaving 3,000 positions to provide for the growth requirements of the other 25 departments and the 40 or more agencies, boards, bureaus, commissions and offices which together make up what we call the public service of Canada charged with administering the activities that parliament has assigned to them.

I should also mention that, in addition to limiting the growth of the public service in 1968-69 to 5,000 additional positions, it is also the government's intention to set a limit of 95 per cent on the number of positions within the approved establishment which can be occupied at any one time. This limitation will provide an additional salutary restraint on growth, and will, in particular, highlight those individual departments and agencies in which the pressures against the 95 per cent limitation suggest the need for a re-examination of the staff requirement and work load, well in advance of the point in time when the approved establishment is completely filled and the agency or department clamouring for additional positions.

A third element in the government's plan for limitations on staff growth is, I think, also worthy of mention. Examination of a representative number of departmental establishments has revealed that, in a significant number of instances, departments have had additions approved to their establishment and have subsequently experienced inordinate delays in filling these approved positions. Whenever positions which have been authorized as necessary at a given point in time remain unfilled for six months after they have been authorized, the question is bound to arise as to how the departments have managed to get along in the interval, and whether the authorized positions continue to be necessary or even whether they were necessary in the first place. Without endeavouring to pre-judge the issue, I believe that there is justification for saying that in many instances where positions remain unfilled continuously for six months or more after they have been created they should be cancelled.

Mr. Speaker, I believe that the three steps which I have outlined for controlling the future growth of the public service will serve to demonstrate that the government seriously intends to contain within reasonable and prudent limits this important element of expenditure within its total budget for 1968-69. The civil payroll, exclusive of the uniformed forces and the R.C.M.P. amounts to about $1.5 billion in a total budget of $10 billion, approximately 15 per cent of the total expenditure budget. It goes without saying, therefore, that success in controlling total budgetary expenditure, depends in a very important degree on success in controlling civil payroll costs, and this in turn depends in large part on success in controlling the size of, and the growth rate in the civil establishment. I can assure the house that the government has every intention of achieving in this regard the objectives which it has set for itself. If, in the course of the year, a department or agency finds it necessary for any reason to request an increase in its establishment, it will be required to undertake a full review of its present position and to satisfy the Treasury Board that it has exhausted all possibilities of meeting the added requirement from the resources already available to it. Only when that condition has been satisfied will the Treasury Board consider a request for any additional positions. I do not think, however, that we should go so far as to impose an arbitrary absolute "freeze" on present establishments. We have examined this suggestion which has been put forward from a number of quarters. Governments in the past, both federal and provincial, have attempted to "freeze" establishments. Such efforts have never been successful. They have produced inequities, distortions, frustrations, and even waste, as senior officials have been obliged to get along without the supporting staff which they require in order to

function effectively. The adverse consequences of an absolute freeze persist long after the freeze itself has been abolished or has been eroded away. At the very best, a freeze succeeds only in buying time until a proper policy for restraining staff growth can be devised. A freeze is not in itself a policy: instead it is evidence that no policy exists and that the authority imposing the freeze has proven to be incapable of devising a policy. We have a policy and we are going to apply it.

• (8:20 p.m.)

Before leaving the subject of staff growth and the size of the public service, let me emphasize again a point to which the Minister of Finance referred in his speech last week, when he opened this debate. Contrary to the beliefs of many who think that the federal public service has grown abnormally over the years, statistics show that the growth of the service has remained remarkably constant in relation to population growth over the period of the last 15 years. Federal departmental employment as a percentage of the total population of Canada—the public it serves—has varied only between the extremes of 1.06 per cent and 1.17 per cent over the years 1952 and 1966 inclusive. When viewed in relation to population growth, to growth in the total labour force, and to growth in the employed labour force, the federal public service has either remained constant or has actually declined slightly, percentage wise, over the 15 year period.

I do not wish to dwell on this point in too great detail this evening, Mr. Speaker, but in view of the desirability of ensuring that there is a proper understanding of this important aspect of the problem, I should like to have permission to insert at this point in my remarks, a table and three charts, the purpose of which is to demonstrate, in some detail, the relationship between the growth in the size of the federal public service 1952-1966, and the growth during the same period in the size of our Canadian labour force, our paid—employed—labour force and our total population. These tables and charts will serve, I believe, to explode the myth that over recent years the federal service has been growing at an incordinately fast rate in relation to the growth of the nation as a whole.

May I have permission, Mr. Speaker, to have these tables and charts inserted at this point?

The Acting Speaker (Mr. Rinfret): Is it agreed that the minister may table these charts?

Some hon. Members: Agreed.

Mr. Benson: I am asking that these be printed in *Hansard* at this particular point in my address.

The Acting Speaker (Mr. Rinfret): I forgot to ask for permission to have them printed in *Hansard*. Is it agreed?

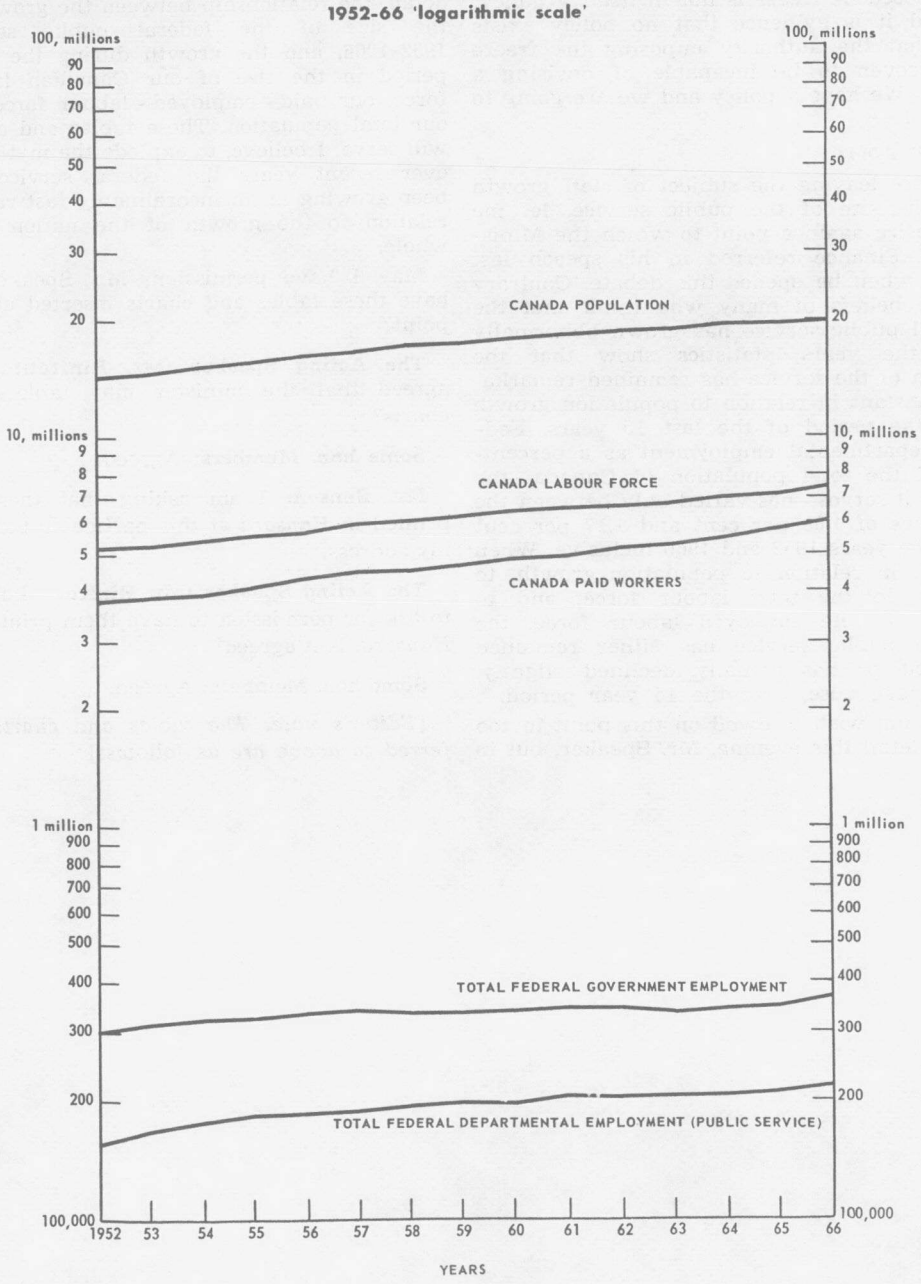
Some hon. Members: Agreed.

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

Chart 1 (a)

GROWTH OF FEDERAL EMPLOYMENT AND NATIONAL MANPOWER

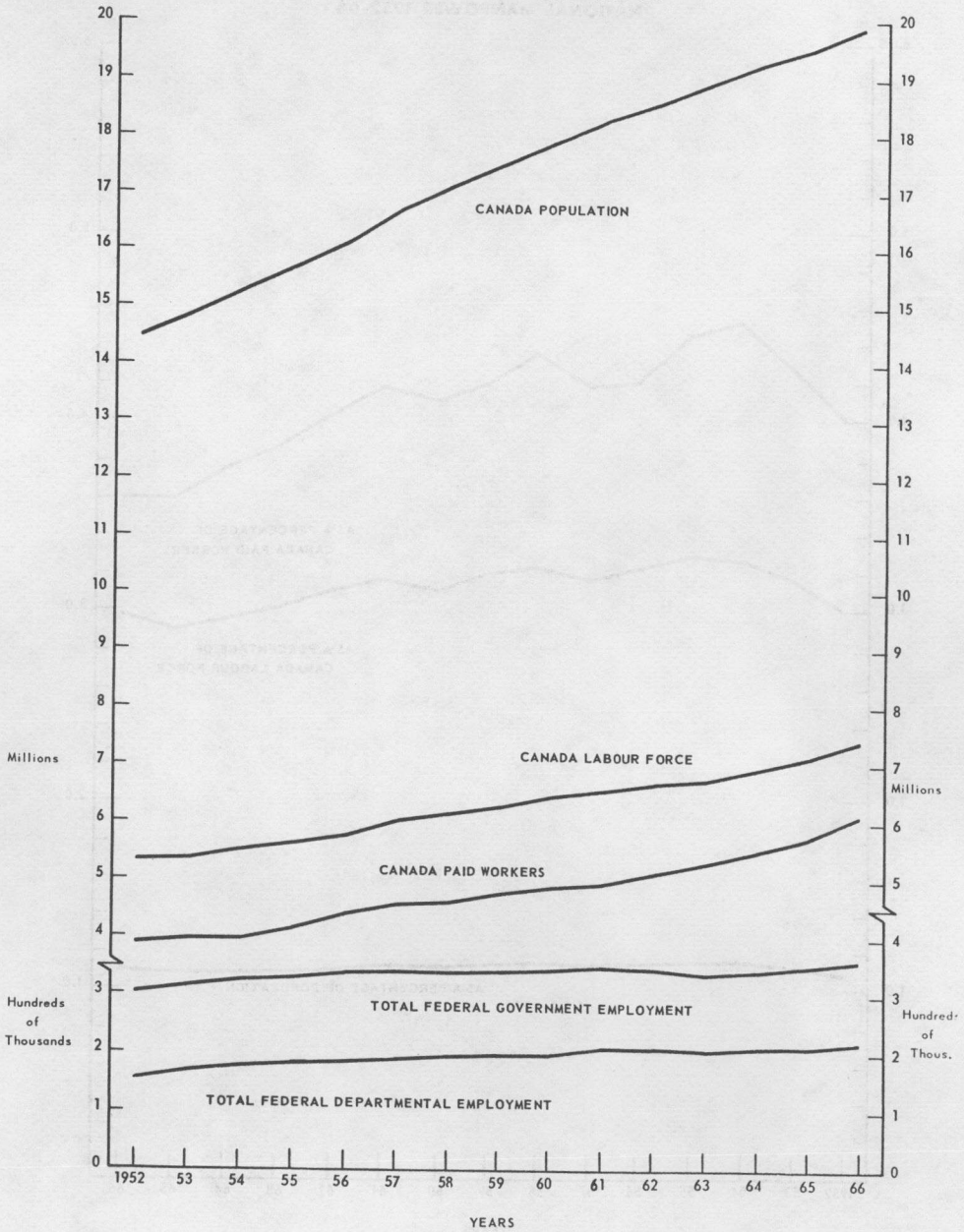
1952-66 'logarithmic scale'



[The Acting Speaker (Mr. Rinfret).]

Chart 1 (b)

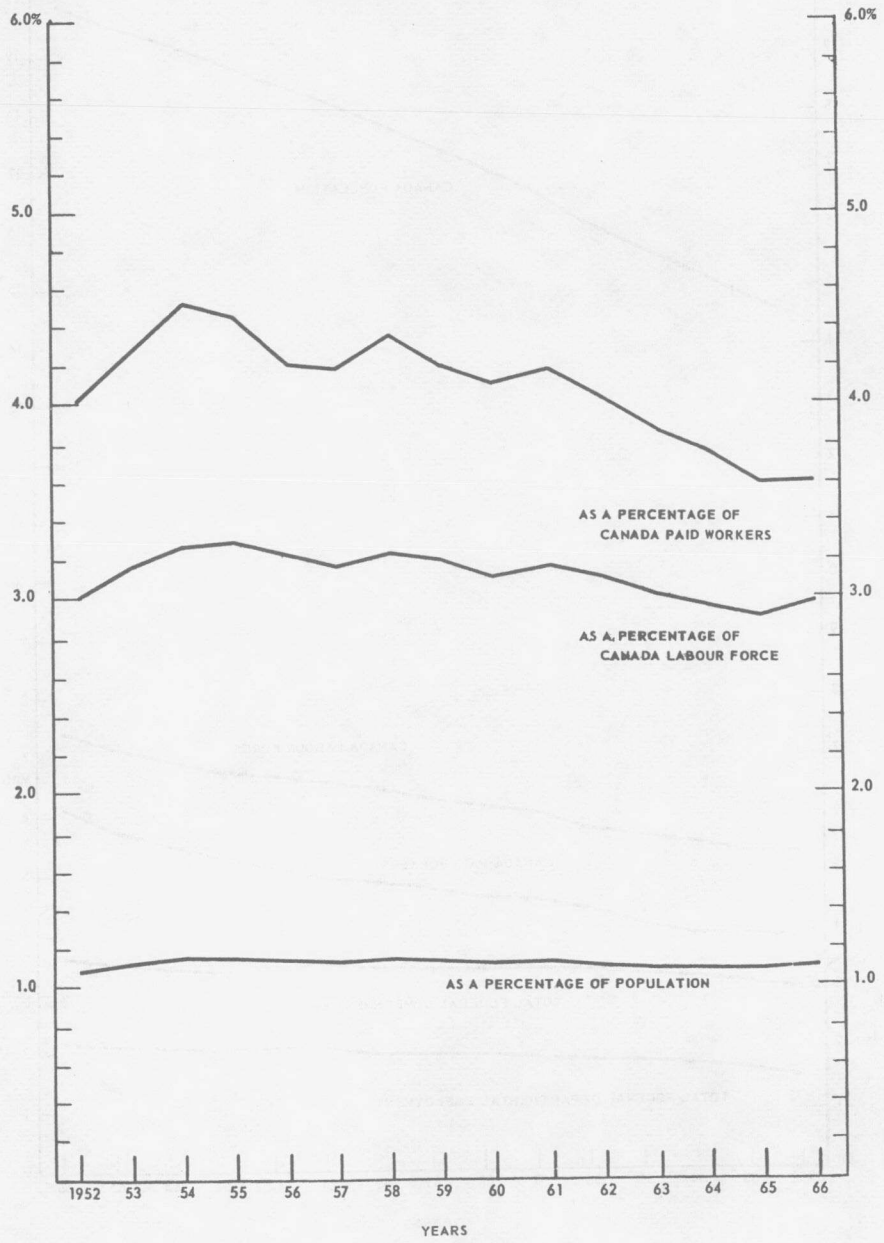
GROWTH OF FEDERAL EMPLOYMENT AND NATIONAL MANPOWER 1952-66



27053—327

Chart 2

FEDERAL CIVIL SERVICE DEPARTMENTAL EMPLOYMENT AS A PERCENTAGE OF NATIONAL MANPOWER 1952-66



[The Acting Speaker (Mr. Rinfret).]

27053—327½

FEDERAL GOVERNMENT AND PUBLIC SERVICE MANPOWER IN RELATION TO NATIONAL TOTALS OF PAID WORKERS, LABOUR FORCE AND POPULATION

Calendar Years	Total Federal Government Employment	Departmental Employment Public Service)	Canada Paid Workers	(1) as a % of (3)	(2) as a % of (3)	Canada Labour Force	(1) as a % of (6)	(2) as a % of (6)	Canada Population at June 1 each year	(1) as a % of (9)	(2) as a % of (9)
	(1)	(2)	(3) (Thousands)	(4)	(5)	(6) (Thousands)	(7)	(8)	(9) (Thousands)	(10)	(11)
1966.....	361,645	219,453	6,096	5.93	3.60	7,420	4.87	2.96	19,919	1.82	1.10
1965.....	345,688	207,437	5,759	6.00	3.60	7,141	4.84	2.90	19,571	1.77	1.06
1964.....	340,934	204,782	5,466	6.24	3.75	6,933	4.92	2.95	19,235	1.77	1.06
1963.....	337,689	202,495	5,241	6.44	3.86	6,748	5.00	3.00	18,896	1.79	1.07
1962.....	342,158	204,582	5,089	6.72	4.02	6,615	5.17	3.09	18,570	1.84	1.10
1961.....	343,352	204,613	4,911	6.99	4.17	6,521	5.27	3.14	18,238	1.88	1.12
1960.....	340,452	198,047	4,843	7.03	4.09	6,411	5.31	3.09	17,870	1.90	1.11
1959.....	338,618	198,496	4,735	7.15	4.19	6,242	5.42	3.18	17,483	1.94	1.14
1958.....	336,910	196,852	4,560	7.39	4.32	6,137	5.49	3.21	17,080	1.97	1.15
1957.....	339,475	189,706	4,540	7.48	4.18	6,008	5.65	3.16	16,610	2.04	1.14
1956.....	336,436	184,983	4,389	7.66	4.21	5,782	5.82	3.20	16,081	2.09	1.15
1955.....	326,289	183,497	4,133	7.89	4.44	5,610	5.82	3.27	15,698	2.08	1.17
1954.....	323,026	178,664	3,961	8.16	4.51	5,493	5.88	3.25	15,287	2.11	1.17
1953.....	318,304	169,274	3,955	8.05	4.28	5,397	5.90	3.14	14,845	2.14	1.14
1952.....	302,078	157,078	3,866	7.82	4.06	5,324	5.67	2.95	14,459	2.09	1.09

SOURCES: DBS publications—The Labour Force (Cat. 71-001), Federal Government Employment (Cat. 72-004), Estimated Population of Canada (Cat. 91-201).

Mr. Benson: I turn now, Mr. Speaker, to the undertaking given by the Minister of Finance —that we will contain the budgetary expenditures for 1968-69, apart from medicare and Expo deficit, within the ceiling of $10.3 billion. There have been many demands from the opposition side of the house and from other quarters during recent weeks and months that the government reveal full details as to what cuts it is making and how it intends to achieve the containment of its over-all budgetary expenditures within this $10.3 billion ceiling.

It would not, of course, be appropriate for me at this juncture, in advance of the tabling of the main estimates for 1968-69 early in the next session of parliament, to launch a debate on the government's expenditure plans for the next fiscal year. This debate cannot be properly joined until the estimates for 1968-69 have been tabled and the details are available for all to examine.

Despite the foregoing, I think I can give to the house sufficient details as to the over-all dimensions of the problem that we have faced in recent weeks, and as to the expenditure cuts already decided in departmental proposals and plans for 1968-69 to satisfy hon. members that we have tackled this difficult undertaking resolutely and successfully.

As hon. members know, the estimates procedure for 1968-69 really got under way in April of this year when departments and agencies were asked to submit, by the end of May, their program reviews and forecasts of probable financial requirements, not only for the balance of the current fiscal year, but also, for 1968-69, and for the three years following. When these forecasts were received and analyzed in June of this year, they showed a prospective requirement for 1968-69, if all forecast departmental requirements were to be met, of $11,500 million. This was some $1,800 million higher than the total expenditure forecast in the budget speech of the Minister of Finance of June 1, 1967, for the current fiscal year.

In August, a decision was made to establish an over-all expenditure target of $10.3 billion apart from medicare and the Expo deficit which, it was felt, should both be dealt with outside the normal budgetary target, based on year to year comparisons of normally continuing programs.

The decision as to the over-all target of $10.3 billion led in turn to the establishment of individual departmental targets of expenditure. Each department and agency was asked in September to accept a stated target, and to submit its detailed estimates for 1968-69 by the end of October, within the limits of the suggested target. Not all of the departments or agencies have, in fact, found it possible to do so.

Mr. Monteith: That has always been done.

Mr. Benson: In some instances new commitments, entered into by or imposed on departments since the target was established made it impossible—or at least extemely difficult, in the view of the department—to achieve the target set for it. In other instances, the department or agency affected found that it could not contain the programs that it considered essential within the target suggested in September by the Treasury Board. In all such cases—and even in those cases where departmental estimates have been submitted within the targets originally suggested—examination of the estimates details has taken place. Establishment proposals are being combed for possible reductions in the extra numbers of staff requested. Approximately 9,000 additional positions were "combed out" in the first-round review of program forecasts conducted during July and August. A further 2,000 or more are being deleted in the course of the final estimates examination now being undertaken—the objective being to contain the growth of staff, during 1968-69 fiscal year to the 5,000 limit mentioned earlier.

We are now approaching the final stages of the 1968-69 Estimates exercise. We expect to have the final decisions for each departmental agency, and for the over-all totals, made later this month, or at the latest, early in January.

Mr. Monteith: That is done every year.

Mr. Benson: It never has been done before.

Mr. Monteith: That has always been done.

Mr. Benson: Perhaps my hon. friend would like to tell me the targets that were set by his government.

Following that, the printing of the blue book, the main estimates, will proceed and be ready for tabling—I hope some time in February, 1968—well in advance of the commencement of the new fiscal year. The present indications are that main estimates as printed and presented will run somewhat in excess of $10 billion but less than the $10.3 billion mentioned by the Minister of Finance. Later, there will of course, be unavoidable

supplementary estimates to reckon with, throughout the course of fiscal year 1968-69. These may well run the gross total of estimates, together with statutory appropriations, as high as $10.5 billion; but, as past experience shows, not less than 2 per cent of this authority will be destined to lapse unspent because of circumstances beyond the control of the departments concerned. The deduction of this lapse of 2 per cent or $200 million will bring the actual budgetary expenditure, we expect, for 1968-69 within the projected target figure, announced by the Minister of Finance, of $10.3 billion.

• (8:30 p.m.)

Reductions in expenditure plans of the magnitude that I have mentioned cannot, of course, be accomplished without causing severe pain and anguish to the departments and agencies affected. I can assure you that my problem with the ministers has been even greater than the terrible problem that I have in convincing my wife not to buy a new hat.

I refer again to the fact that before the estimates review has been completed, approximately 11,000 positions will have been cut from the 16,000 additional positions requested at program review time or subsequently by the various departments and agencies. A rough valuation can be placed on each of these positions of $10,000—one half for salary, and an equal amount for office accommodation, equipment, supplies and all accompanying costs of pension provisions, fringe benefits of various kinds, and so on. On this basis, the staff reductions effected through program and estimates review represent not less than a $100 million reduction from the original requirements for 1968-69 as presented in July by departments and agencies.

Construction projects will also be affected by the efforts the government is making to contain its expenditure plans within the $10.3 billion ceiling. In my own constituency in Kingston, the plans for construction of an engineering building at Royal Military College will have to be deferred, at least for 1968-69. Public buildings in Ottawa, such as the new National Defence Headquarters—

Mr. Fairweather: Hear, hear.

Mr. Benson: Mr. Speaker, I only hope that hon. members opposite will applaud all the reductions I will mention as I proceed—the new headquarters buildings for external affairs and transport, will have to be further delayed. It has already been announced that the parking garage planned for under parliament hill will not be proceeded with in 1968-69. A great deal was accomplished in 1967 in the way of construction and completion of National Capital Commission driveways in the national capital area and this added greatly to the charm and attractiveness of the nation's capital in centennial year. The year 1968-69 by contrast will be a year of pause for driveway construction plans in the national capital area. We all want to make Ottawa a great national capital for a united Canada and we intend to do so. Unfortunately, Mr. Speaker, we must do so at a somewhat slower rate.

I could, if time permitted, Mr. Speaker, cite a great many other specific examples of projects that will have to be set aside, deferred or phased at a slower pace as a result of the reduction in expenditure levels we have undertaken to achieve for 1968-69. Perhaps it will be best if at this point, I give some indication of the nature and variety of these various reductions—and of their widespread and even distribution, generally speaking, across departments—by listing a number of the programs that will be cut, of the staff increases that will not be granted, and of the construction or other projects that will be cut out or cut back.

Here is a list that will give a partial indication of the programs and the projects that will be affected. I may, Mr. Speaker, repeat some of the matters, I mentioned earlier, but I do so in the belief that members will want a consolidated list of all the items I am speaking about this evening.

1. With the establishment of the Cape Breton Development Corporation, the functions formerly carried by the Dominion Coal Board can now, with certain exceptions, be transferred to this new agency. The board's remaining functions will be taken over by the Department of Energy, Mines and Resources and the Dominion Coal Board will then be abolished.

2. The active promotion of the sale of Canadian government annuities by the Department of Labour will be discontinued and the sales staff disbanded. Staff will of course be retained in sufficient numbers to service existing contracts and to honour all existing commitments.

3. The special planning secretariat within the Privy Council office will be disbanded: henceforth its essential functions in the field of co-ordination of social development programs will be carried as part of the normal operations of the cabinet secretariat.

4. Financial provision for the Company of Young Canadians will be reduced by 20 per cent from the $2.4 million budgeted for the current year.

5. Funds provided in a number of departmental and agency budgets for energency measures planning and organization will be scaled down substantially below current year's levels. This decision will affect not only the Energency Measures Organization itself but also emergency health, welfare, supply and communications planning activities in such departments as National Health and Welfare, Defence Production, National Defence and C.B.C. Reductions in EMO's budget will also make necessary reductions in the level of grants to provinces and municipalities for emergency measures purposes.

Mr. Bell (Carleton): How much will that save?

Mr. Benson: Before members start asking how much will this save and how much will that save, may I tell my hon. friends that the estimates which were brought in amounted to $11.5 billion and we are going to keep them to $10.3 billion.

Mr. Monteith: How do we know that?

Mr. Benson:

6. The government has decided to discontinue the arrangement hitherto in effect whereby the Canadian Broadcasting Corporation international service was budgeted separately from the C.B.C.'s regular budget. Henceforth, beginning in 1968-69, the budget for the C.B.C. international service will be merged with the C.B.C. regular budget. C.B.C. will then be responsible for budgeting for an overseas service as well as the shortwave and other services to the Canadian north and armed forces overseas, out of its regular operating budget.

7. The operating budget for the C.B.C. in the 1968-69 fiscal year, reflecting the new arrangement just mentioned, will be set at a level of $11 million less than requested.

Mr. Bell (Carleton): Would the minister indicate exactly how much less that will be in relation to this year's actual vote for the C.B.C.?

Some hon. Members: Sit down.

Mr. Bell (Carleton): I intend to get an answer. I should like to ask the minister—

Some hon. Members: Oh, oh.

[Mr. Benson.]

The Acting Speaker (Mr. Rinfret): Order. The hon. member for Carleton will now ask a question.

Mr. Bell (Carleton): The minister has given me the floor to ask a question, and I would ask him how much less there will be for next year's operating budget for the C.B.C. compared with the present year.

Mr. Benson: Mr. Speaker, I have another statement to make with regard to the C.B.C. and if my hon. friend will take his pencil and do a little calculating he can probably figure out what will be the C.B.C. budget. In any case, the C.B.C. budget will be listed in the blue book of estimates presented to the house, and the normal time to consider them is when we debate those estimates.

Mr. Bell (Carleton): That shows how phony the whole operation is.

Mr. Benson: All it is really showing is how phony the hon. member is.

8. The capital budget of the C.B.C. will be cut back from the $57 million requested for 1968-69 to $25 million, $5 million below the level for the current year.

• (8:40 p.m.)

Mr. Monteith: How about operating expenses?

Mr. Benson: Mr. Speaker, 9. Further expansion of colour T.V. facilities of the C.B.C. will be deferred.

10. The size of the Canadian Armed Forces will be reduced from the level of 107,000 reached earlier this year to an average level of 100,000 man-years in 1968-69. This will be accomplished through normal attrition and a scaling down, but not elimination, of the recruiting program.

11. To repeat something that I said earlier, Mr. Speaker, the growth rate in the public service generally, through 1968-9, will be limited to approximately 2 per cent or 5,000 additional positions. This is about half the growth rate allowed in the past three or four years. In addition, staff on strength in each department and agency at any time will be held to 95 per cent of approved establishments, and continuous review will be maintained of all approved positions remaining unfilled for periods longer than six months.

12. Provision for staff travel throughout the public service is being cut by a full 10 per cent from department requirements as submitted in estimates for the year 1968-9.

Mr. Monteith: What was the submission?

Mr. Benson: Mr. Speaker, I know how phony my hon. friend is.

The next item is not at all phony, and I deeply regret having to make the announcement which I am about to make, because everyone in this house knows my personal feelings about this matter.

13. Since we have made a commitment to the Canadian people that we will retain expenditures within the limit of $10.3 billion, the government has decided that it will not be possible in 1968-9 to proceed with plans for increasing supplementary pension benefits for retired civil servants.

Mr. Knowles: Would the minister permit a question?

Mr. Benson: I should like to say how difficult it has been for me to make that statement.

Mr. Knowles: Would the minister permit a question?

Mr. Benson: Mr. Speaker—

The Acting Speaker (Mr. Rinfret): Order, please. The minister wishes to continue his speech. At the end of the speech the hon. member will be able to ask his question.

Mr. Knowles: I thank the minister for his courtesy in indicating that he will permit me to ask him a question. Will he tell me how the government squares the decision he has just announced with the assurances that he and the Prime Minister have been giving us week after week that this matter was still under consideration by the government?

Mr. Benson: Mr. Speaker, this matter has been and is being considered by the government. We must weigh these cuts against all the cuts which have been necessary. I shall only list some 50 or 52 cuts here, but there are many hundreds more. I would ask my hon. friend to weigh this matter against the next item, which will take income away from the farmers of this country.

14. Under this next item, Mr. Speaker, quality cheese premium payments, introduced during world war II, will be discontinued, effective April 1, 1968.

Some hon. Members: Shame.

Mr. Benson:

15. Effective immediately, no further applications will be received for subsidies in aid of cheese factory amalgamation and improvement. Applications already in the hands of the Department of Agriculture will be processed in the usual way.

16. Hog and lamb premium payments will be reduced by $1 per carcass, effective April 1, 1968.

An hon. Member: There goes Joe.

Some hon. Members: Oh, oh.

Mr. Benson: May we have some order in the house, Mr. Speaker.

17. This next item is most important to many of my hon. friends from the maritime provinces. The government has decided to defer the placing of any further new contracts for the Northumberland causeway, pending a thorough review of the situation by Col. Edward Churchill, whose services have been retained as a co-ordinator of the project. This review, made necessary by the drastic escalation in the estimated cost of the project as originally conceived, will include the examination of alternative ways of meeting, on a more economically justifiable basis the commitment of the federal government to the government and the people of Prince Edward Island.

Mr. Ricard: Narrow minded.

Mr. Benson: That commitment this government will keep.

An hon. Member: Explain.

Mr. Benson:

18. Atomic Energy of Canada Limited will be asked to delete from its budget for 1968-9 provision for the acquisition of a new computer facility and building at Chalk River, as well as a number of other extensions and additions to existing plant at Whiteshell, Manitoba and at Chalk River.

19. The Department of Energy, Mines and Resources is being asked to defer starts on a number of projects originally scheduled for 1968-9 including the West Coast Hydrographic Institute; a floating laboratory and two smaller research laboratories in the Ottawa area; and two new vessels replacing older ones in the department's fleet of research vessels. In addition work on the Queen Elizabeth telescope in British Columbia is to be slowed down, pending a further review of this and related activities.

20. External Affairs had planned to open two new diplomatic missions abroad in 1968-69: Trade and Commerce had planned to open

three new posts. These departments are being asked to defer their plans to open these five posts.

21. The Department of Forestry and Rural Development has been asked to defer its plans for starting construction on a number of forestry research laboratories in Winnipeg, Victoria, Fredericton, Quebec and Newfoundland.

Some hon. Members: Shame.

Mr. Benson:

22. The Department of Manpower and Immigration has been asked to cut back its expenditure plans on pilot projects for manpower retraining in 1968-9.

Some hon. Members: Shame.

Mr. Benson:

23. The Department of National Health and Welfare has been asked to set a limit of $40 million on the pay-out from the health resources fund in fiscal year 1968-9.

Some hon. Members: Shame.

Mr. Benson:

24. The national health grants program, in effect since 1948, provides considerable sums of money for the support of medical care and treatment projects of various kinds in the provinces. It is intended to phase out expenditures on these medical care and treatment projects as medicare takes over in the provinces.

25. The program developed jointly by the Post Office and the Public Works Department for the construction of small winter works post offices will be cut in half for the year 1968-9.

An hon. Member: Mounting unemployment.

Mr. Benson:

26. There will be a slow-down in plans for the headquarters buildings of three departments in Ottawa—External Affairs, Transport and National Defence. It was hoped that actual construction on the first two of these three buildings could have been started in 1968-9, but this will not now be possible.

27. I mentioned earlier that the National Capital Commission will be asked to defer its plans for further driveway construction in the national capital area during 1968-69. Existing contracts will, of course, be carried forward to completion.

[Mr. Benson.]

28. The Department of Manpower and Immigration will be asked to establish a limit of $80 million on the pay-out to the provinces for new construction of vocational training schools in 1968-69.

Some hon. Members: Shame.

Mr. Benson:

This coupled with the current year's provision of $120 million makes available $200 million for such construction in the two year period.

29. The 50 per cent subsidy now provided for the construction of steel hull fishing trawlers will be reduced to 35 per cent, effective tonight. The reduction will not apply, however, to applications now in the hands of the officers in the Department of Industry which administers this program.

Some hon. Members: Shame.

Mr. Benson:

30. The Department of Indian Affairs and Northern Development has been asked to phase over a longer period its five-year program for construction of roads and schools in the Northwest Territories as well as its companion program for the physical development of Indian communities through programs of housing, road construction, electrification, water supply, sewerage facilities, and industrial development.

Some hon. Members: Shame.

Mr. Muir (Cape Breton North and Victoria): That is a disgrace.

Mr. Benson: This latter program, approved in a total amount of $112 million to be spent over a five year period will now be rephased over a seven year period. But the money will still be spent.

• (8:50 p.m.)

31. The Department of Indian Affairs and Northern Development will likewise be asked to phase out over a longer period of years the expansion of staff and services, land acquisition costs, etc., connected with its wildlife, parks and conservation programs.

32. The Department of Public Works has already been asked to defer its plans for the construction of a parking garage under parliament hill.

33. The Royal Canadian Mounted Police have been asked to defer their capital construction plans at Montreal, Toronto and Regina and to eliminate for 1968-69 proposed

starts on the Fort Smith subdivision headquarters and three additional detachment headquarters and warehouses in other locations.

34. The corrections branch of the Solicitor General's Department will limit its capital expansion program in 1968-69 to six new starts on units not yet under construction, in addition to completing projects now under way. This means the deferral of construction starts on a substantial number of other units included in the original program of the branch.

35. The Department of Agriculture has agreed to postpone the intended start of construction on a new headquarters building for the Board of Grain Commissioners in Winnipeg.

36. Work will not proceed in 1968-69 on emergency measures training college at Arnprior, or on the emergency government relocation centres planned for Prince Edward Island and New Brunswick.

37. No further contracts for large search and rescue cutters will be placed in 1968-69 by the Department of Transport marine services branch.

38. The Transport Department has also been asked to defer all reconstruction and improvement work on the Rideau and Trent canal systems other than that which is absolutely necessary to maintain the systems in proper operating condition.

39. The Transport Department will not proceed with its plans for the construction of a new stores and administration building to serve as headquarters for the Rideau canal system at Smith's Falls, Ontario.

40. Plans of the air services branch of the Department of Transport for commencing work on the construction of a third runway at the Montreal international airport will be deferred.

41. The Fisheries Department will limit its further assistance in the construction of community fishing stages to commitments already made and will delay construction on a new Newfoundland pilot vessel, a marine haul-out scheduled for Newcastle, N.B., and starts on laboratories or laboratory extensions at Halifax, Bonavista, Newfoundland, and Grindstone, Quebec.

42. The Fisheries Research Board will defer the replacement of its motor vessel *Parr* as well as new laboratories, buildings and other facilities scheduled for Winnipeg, Newfoundland and West Vancouver.

43. The National Research Council has been asked to delay its plans for a start on construction of the National Science Library, a new structures and materials laboratory, and an extension to its administration building to house additional computer facilities.

44. The government intends to introduce legislation to provide for transfer of the preaudit responsibility from the office of the comptroller of the treasury to individual departments and agencies. Substantial staff savings are anticipated when this process is completed.

45. The Department of Veterans Affairs has been asked to defer its plans for the construction of additional facilities at the Victoria Veterans hospital, Victoria and at Camp Hill hospital, Halifax.

46. The Department of National Defence has deleted from its construction program planned for 1968-69 the sum required for land clearance at Gagetown, N.B., as well as funds for a start on the Canadian Forces hospital planned for Halifax, the science and engineering building planned for Royal Military College, Kingston, and added medical facilities at Petawawa.

47. The Department of National Revenue (Taxation) and the Unemployment Insurance Commission are now engaged in a study of the feasibility of instituting a combined audit of employer payrolls, replacing the two separate audits now carried out. Such a combined audit, together with other changes now being implemented by the Unemployment Insurance Commission, as procedures for the centralization of payment of unemployment benefits are completed, will result in significant reduction of the U.I.C.'s approved establishment below the 1967-68 approved level.

48. The Department of Transport has decided to defer for one year the replacement of one of the Viscount aircraft in the fleet of aircraft required by the department to carry out its operational responsibilities.

49. The Department of External Affairs has been asked to defer its plans for the acquisition of a number of diplomatic properties abroad.

50. The National Harbours Board has been asked to reduce its capital construction program for 1968-69 by several million dollars, including the deferral of plans for the construction of a wharf at the grain elevator at Prescott, Ontario.

51. A study of officer training facilities in the Department of National Defence, including the National Defence College, and other

institutions, has been undertaken with a view to consolidating reducing overlapping facilities wherever possible.

Mr. Grafftey: You sound like a computer.

Mr. Benson: The hon. member, like other hon. members opposite, has been asking for details for weeks and months. I provide him with detail and now he and his friends opposite are so upset by details that they can do nothing except interrupt.

Some hon. Members: Hear, hear.

Mr. Benson: I am already running over the time available to me. I will admit to all hon. members that this is a long list. However, I assure you, Mr. Speaker, that when the main estimates are tabled other economies will be revealed. It would have been impossible for me to go through every government account and indicate the reductions or postponements we have made. However, I think it is sufficient for me to say that we can and will live within our expenditure targets for 1968-69 as outlined by the Minister of Finance (Mr. Sharp) last week.

Some hon. Members: Hear, hear.

Mr. Benson: Let me close with a few salient points:

We as a parliament should be proud of what has been accomplished in the past five years.

The future of Canada is bright and prosperous and all of us should be proud to be Canadians.

We have had to establish priorities and in my opinion those we have established are well justified in our interest, as parliamentarians, and for all the people of Canada.

We are not cutting back, indeed we are increasing expenditures, in such important areas as research, where we have increased expenditure by 33⅓ per cent per annum since we took office. We intend to continue doing this—and it is the largest annual percentage increase made by any government in the world.

Some hon. Members: Hear, hear.

Mr. Knowles: What base did you start from?

Mr. Benson: We started from a Tory base.

We intend to proceed with our aid to education. We intend to proceed with our program for manpower retraining, which is essential in an automated society.

[Mr. Benson.]

We intend to spend more money on pollution control. We intend to continue our aid to the disabled, to the ill and to the less fortunate in our country. We intend to continue area development, including industrial incentives and rural development. We intend to continue our social services to the people of Canada. We are not imposing, and will not impose, unbearable taxes on anyone in Canada.

I wish I had time to point out the lie in the statement made by the leader of the New Democratic party on television last night.

Some hon. Members: Hear, hear.

• (9:00 p.m.)

Mr. Benson: We will continue to be a party, and I am sure a parliament primarily concerned with our people, their well-being and that of their children.

We as Canadians have a great future, great opportunities and a good democratic system of government. Let us use them for the benefit of all our people.

Some hon. Members: Hear, hear.

Mr. Fulton: Mr. Speaker, we were all glad to give the minister extended time to complete his remarks, and I am sure he will return the courtesy by answering a question. Before he yields the floor, could he answer one simple but important question? Will the minister say one single word—one word—about real savings, which he has not yet mentioned—the only place where real savings could be made: that is, reductions in the spending programs for this current fiscal year, a statement which was promised by the Minister of Finance (Mr. Sharp)? Are there any reductions in reality, instead of this exercise in futility dealing only with future fantasies?

Mr. Benson: Mr. Speaker, the best reply I can make to this question, and it is a question that is very important to all of us Canadians, is a quotation from a very eminent Canadian who said:

> Mr. Speaker, I think anybody who suggests that you can cut down on government spending or offer a substantial reduction in taxes is not being very realistic; but any government can control the rate in the increase in expenditures.

That eminent Canadian is the Leader of the Opposition (Mr. Stanfield), and we are going to control the rate of increase in government expenditures.

Some hon. Members: Hear, hear.

Mr. Max Saltsman (Waterloo South): Mr. Speaker, the Minister of National Revenue (Mr. Benson) has made his speech a few months too late. Had he made that speech a short while ago he might now be leader of the Conservative party.

Some hon. Members: Hear, hear.

Mr. Saltsman: Tonight the minister has done that great thing—he has thrown out the baby with the bath water. This was one of the most shameful, hair shirt performances this house has ever seen. No one will argue that there are not some things he mentioned that we could have deferred, but when he takes out of the government program those things which are essential to our national unity, those things which are distinctly Canadian, those things which we need more than ever today, then he has a lot of answering to do to the country.

He mentioned the national capital area. We are trying to build up this area, to make every Canadian proud of Ottawa, and there has even been talk of enlarging the scope of the work. Now one of the first things done is to jettison this kind of program.

The C.B.C., with all its faults, is still an agency that binds this nation together. Now the international service, by some sleight of hand, is to come into the C.B.C. This is one service of which Canadians have been enormously proud. There is not anyone in this country who will argue that the money spent on this service has not been well spent. Now it is going to be thrown in with the C.B.C., with the effect that its programs will suffer, or the C.B.C.'s national programs will suffer.

He mentioned the Company of Young Canadians. How picayune can the government get with respect to the small sums of money it is spending on this group? This group has come under much criticism. It has done things that many people do not approve of, but it is trying to do something about poverty. Whatever its failures may be, the few millions of dollars invested in its program indicated new approaches to the problems of poverty. Those problems have certainly not been solved with the old, orthodox approach.

The Company of Young Canadians was the great pet project of the Prime Minister (Mr. Pearson). He felt we should experiment with it, that we should give young people their heads, to show them there is freedom for some kind of experimentation in Canada. But now that goes out, although it involved an insignificant amount in the total budget of the nation. It is thrown to the dogs because the government is going to economize. I say it has picked the wrong things on which to economize.

The minister mentioned a computer for the atomic energy corporation. That corporation has been an outstanding success. Now it needs to be modernized; it needs a computer. Industry cannot do without computers. Some of the smallest firms in this country have computers, but the great Atomic Energy of Canada cannot afford to computerize its operations.

Mr. Pepin: They have one. This is a new one.

An hon. Member: What would you do?

Mr. Saltsman: Give them the computer they need. Give them a new one, the best one you can get. Give them the best facilities, because they have made a real contribution to the development of this nation and they need these things to increase their contribution to that development.

The research program of the Department of Energy, Mines and Resources is also going to be cut back; yet in committee hearings testimony was given that that department does not have enough people to map all the areas of Canada, to check on our water resources, and to make an inventory of the resources which are so vital to our future. Now this program is sacrificed. Forestry research falls into the same category. Much of the prosperity of the nation depends on how well we handle our forest resources; yet this program is being cut.

After all the great talk about manpower retraining and about the great job the government was going to do in that field, now it is one of the first casualties. Everyone knows that the manpower retraining program is an investment in the future. However the government apparently does not believe in investing in the future, and parts of that program are being sacrificed.

The minister mentioned health resources. There are not enough doctors in this country now, and not enough medical colleges and hospitals. The meagre program the government introduced to develop health resources was clearly inadequate at the time of its introduction, but now even it is going to be cut back. Where are we going to get the doctors we require when the health resources program is cut?

The minister mentioned our Indian population. Have we not done little enough for the Indians? Should not this nation be ashamed of itself tonight, when we are told that in the interests of economy the ancillary program for Indians is being cut? If only as a moral gesture, no part of this program should have been cut.

The minister mentioned a national services library. Does not the government understand the importance of things of this type to a country that is trying to find itself, that is trying to resolve the differences between its peoples? Does it not understand the importance of national institutions? Apparently it does not.

The promise made to retired civil servants, that their pensions would be looked into, has gone by the board, and veterans are going to have to make sacrifices. It is always the weak and the poor who make these sacrifices on behalf of the strong.

• (9:10 p.m.)

When we hear the minister say that we as a parliament should be proud of what has been accomplished in the past five years, I can only say that the minister has had his eyes closed throughout those last five years. The economy of this country has been bad, in spite of the distorted figures that have been given to us. Let me point out a number of significant factors. From 1955 to 1965 Canada has had the lowest rate of productivity increase among 15 nations, including Great Britain, which has experienced serious difficulty. Our productivity has grown at the rate of only 2 per cent per capita per annum. The inflated figures the government uses are related to the birth rate, and surely the minister of revenue (Mr. Benson) is not by himself going to take credit for that, as well.

Let me quote from the first report of the economic council which in part states:

> For the last two decades, the level of real income per capita has been consistently in the range of 25 to 30 per cent lower in Canada than in the United States. It would appear that the difference between the two countries was significantly less, about 15 to 20 per cent... at the start of the present century, but the gap widened between the start of the century and the 1920's.

We have not been going forward in respect of productivity; we have been going backwards. Tonight the minister has chosen from two alternatives, namely increasing the productivity of this nation so we can afford to do those things that are right, just and necessary, or going along with a slothful attitude, such as his government has been displaying in cutting its expenses to suit productivity. I suggest that the choice of increasing the productivity is the one that should have been made. I am sure an increase of at least 25 per cent in the productivity of this country is possible. Such an increase would mean a gross national product increase of $10 billion to $15 billion per year, from which the government could easily derive another $3 billion in taxes. How much more desirable would it be for this approach to be taken than the picayune approach the government has taken tonight?

[Mr. Saltsman.]

Our society requires that we have priorities. We do not argue that a nation can have everything it wants, all at once. It should also be obvious that priorities should not only be set in respect of the public sector, but should be set also in respect of the private sector. No one can do everyting he wishes, but why should it always be the public sector which pays for the foolishness of the private sector —and there is foolishness.

Let us look at some of the so-called priorities the market system has imposed upon the Canadian public. Let me use the latest figures at my disposal on capital expenditure from the Canada Year Book of 1964. In that year the economy spent $328 million in capital expenditures for banks and financial institutions in this country, a country which has more banks per capita than anywhere else in the world. It is significant that we spent half that amount, or $164 million, on universities. In that year we spent $351 million to build stores, shopping centres and service stations. We spent almost half of that, $188 millions, on hospitals. This is a fine sense of priorities, when we find that the construction of stores, supermarkets, bank buildings and service stations is more important than the construction of hospitals and universities. How does the government expect this nation to progress and advance with this kind of a policy?

Mr. Crouse: Would the hon. gentleman permit a question? Is he not aware that it is the profit from the private sector of industry which provides the means whereby the hospitals in the public sector are developed?

Mr. Saltsman: I appreciate the hon. member's concern with the development of this country, but let me point out that if we did not build roads, schools and provide fire and police protection there would be no industry.

Mr. Crouse: Whom do you mean by "we"?

Mr. Saltsman: Industry depends upon those who are being educated in our schools, and industry does not provide cures for sickness.

Mr. Crouse: Whom does the hon. gentleman mean by "we"?

Mr. Saltsman: I mean Canadians; you and I and everyone in this room and this country. We collectively are providing the means and the instruments by which private industry prospers?

Mr. Crouse: That brings us right back to the question I put to you. Are you not aware that it is the profits from the private sector of the economy which provides the means for doing all these things?

Mr. Saltsman: Mr. Speaker, all I know is one thing—

An hon. Member: And that's the truth.

Mr. Saltsman: That the source of profits is hard to pinpoint; but without the labour of people in this country, like the fishermen who live in the riding of the hon. member who has just spoken, and the lumbermen, this country would not be going anywhere. This country has been built by the work and energy of its citizens. I do not know how you relate that to profits, but I relate it to the skills and the drive of Canadians.

Let us look at the relationship between industry and other things. It is very important to build factories, and no one realizes that more than I, because I live in a riding which is heavily industrialized. In the year 1963 we spent $399 million on industrial construction. In that same year we spent $616 million on commercial construction. Let me ask the hon. member who has just spoken which is more important, and how these priorities stack up in his view as to what is needed in this country?

Let me quote some statistics in respect of reducing government spending. These statistics are from the Economic Council of Canada. From 1961 to 1966 the total volume of final demand increased by 33 per cent; new machinery and equipment increased by four fifths and new residential construction increased by almost one half. In that same period the number of houses constructed increased by only one fifth, yet the volume of government expenditures on goods and services increased by one quarter. No one can say that housing, or services the government has provided, have increased at a faster rate than other expenditures in our economy. The contrary is true. We have spent much less for public services and housing than the wealth of our society would indicate was possible.

The central issue facing us today does not involve a question of priorities alone, but rather who it is that sets these priorities. Does the government of Canada set the priorities, or does it bow to the few financiers of this nation who demand sacrifices from the government in the way of cutting expenditures, whether they are necessary or not? Is the government helpless in the face of this type of demand? Perhaps the government's response to the old phrase "Put your house in order" means, when translated, "We do not want public expenditure"

Much of the present inflationary pressure is psychological. The financiers in this country are doing all they can to persuade Canadians that the only way to restore confidence is by cutting public expenditures. There is no consideration of the curtailment of our own demands. This is a delightful arrangement from their standpoint, and the tune has not varied over the years. During depressions these people argue in favour of government cuts, to enable the private sector to save more, and therefore to spend more. In the 1930's we saved ourselves right into ten years of misery. Government reductions in expenditures are supposed to stimulate the economy, but these people argue today that government cuts are a means of restraining the economy.

• (9:20 p.m.)

It looks as though the ordinary people of this country never win. The impression is clearly that those who hold money want the government to abdicate the management of the nation to them, and leave the setting of priorities only to those who hold the money. George Bain put it very well in a recent article in the *Globe and Mail* when he said this about the Minister of Finance:

> And, yet, when the finance minister speaks of its being necessary to restrain our collective demands on the capital market, the emphasis clearly is on the public sector. There is no corresponding pressure to restrain the demands of the builders of shopping centres, office buildings, hotels and motels, and the like. Private spending is good spending; public spending is, if not bad spending, at least suspect spending.

Most budgets that come before this house are pretty murky documents. The one introduced by the Minister of Finance last week is painfully clear, however, because it indicates that the government is clearly in a state

of crisis. If only the Liberal party were in this position perhaps we would not be terribly concerned, because there seem to be others on that side of the house and on this who are only too anxious to take over. The members of the official opposition have had a hand in bringing us to the brink of national suicide. This may be harsh criticism, even in a house where punches are not pulled, but we have only to read the budget to get a feeling of despair for the future.

Of all the problems facing the Minister of Finance, the most urgent is obviously money. He needs money, and he needs it badly. It is not difficult to see why. If we look at the refunding program for next year we find it is about twice as great as it has been in recent years. We have a strange situation. In 1950 the Liberals issued bonds due in 1968 in the amount of $308 million. The Conservatives when in office were aware that this amount of money would have to be paid out in 1968, but added $1.2 billion.

When I hear members of the official opposition call for fiscal responsibility, I wonder how responsible that kind of action was. It meant that at that time $1.3 billion would have to be refunded in one year. Then the Liberals came back into office. In 1964 and 1966 they added another $696 million to be refunded in the year 1968. So we have a situation facing the Minister of Finance next year in which he must find over $2 billion in the marketplace to refund the issues that will then become due.

I have no way of knowing for certain how much money the Minister of Finance has to find in the way of three month, six month and ten month treasury bills, but the indication is that it might be an equivalent amount. We must recognize that the government has its problems. It has problems in terms of controlling its own expenditures. We see what happens when it starts making massive cuts; the good goes out with the bad, because it seems that when the government tries to satisfy everyone they have to satisfy them that all the sacred cows or all the priorities will not be touched.

The government has limited control over the actions of the provinces. It refuses to set up, or cannot for one reason or another set up private spending priorities. It does not seem able or willing to do anything about productivity in this country. Much more than that, the greatest liability of the government is its own dogma that does not permit it to move from the nineteenth century into the twentieth century. Can we manage this nation with outworn ideas? Can we continue to count on over-all fiscal and monetary policy alone to cure the difficulties facing us today? I do not think we can. I suggest that the government will have to move into new types of programs, into more selective programs in order to cure these problems. If we look at the euphemisms in the speech of the Minister of Finance we get a clear indication of why his ideas will not solve the difficulties facing us today. Let me quote from the minister's speech, where he said:

> We expect to see a better performance in overall productivity, partly as a consequence of better training and deployment of our labour force and partly because there is usually an increase in productivity at this stage of the business cycle.

If you translate that into ordinary words, it means that the minister is going to create unemployment in order to try and hold prices down. When the minister says there has been a rapid economic expansion in recent years, he is not giving the full information that is necessary, because Canada has fared very badly compared with other nations in the world. When he says, "This would require the exercise of restraint on increases in prices, wages, other money incomes such as rent and dividends, and government expenditures", he seems to have control, and is willing to exercise that control, only over government expenditures.

How does he propose to exercise restraint on prices? The minister has no mechanism for restraint on prices. I suggest to him that he needs such mechanism. We have been urging the government to establish a prices review board for this purpose. How does the minister intend to exercise restraint over rents and dividends? What mechanism does he have to do this? He has tried to force interest rates down. Up until now he has not been very successful, and most people who have been predicting the future in this respect do not think he will be successful in the future.

The minister may pray. He figures that if nothing else works, he can pray. Prayer is a very powerful weapon, but I do not think it is powerful enough to cure the problems which face the minister. He will have to do more than just pray. It seems to me that in this respect there is the saying that help comes to those who help themselves.

Mr. Knowles: Most of the Liberals only pray.

[Mr. Saltsman.]

Mr. Saltsman: The minister made a statement a while ago which I think most Canadians would applaud. He said we will have to find a Canadian solution. This is the very thing he has not put into practice, namely finding a Canadian solution to these problems. His budget does not indicate this; it indicates that he has meshed our economy, or permitted our economy to be meshed with that of the United States. We obtain very few benefits from this meshing, and many disadvantages.

• (9:30 p.m.)

His budget speech was interspersed throughout with references to the problem he is facing and to the fact that he really does not control the economy of this nation, but that the decisions regarding our economy are made outside our borders. Let me quote some of the minister's words. He said:

> The current international situation is one in which there are potential dangers for Canada, in view of our considerable dependence both on world trade and on international capital markets.

He went on to say that it is vital, therefore, that our capital markets continue to work effectively and in proper relationship with the central capital market of the world, which is the United States. He said:

> We cannot isolate ourselves from international price pressures, particularly from the United States, but we must do what we can to contain the inflationary pressures operating in Canada. In the current international circumstances, our policies must reflect the need for strong action to protect our underlying position and for flexibility in adapting to changing circumstances.

What really hurt, however, is when he commented on the Carter commission report. His reasons for rejecting the Carter commission report were very clear when he said:

> —the commissioners have suggested for Canada a tax system quite different from that of other countries, and in particular quite different from that of the United States with whom we have an integrated capital market. This could give rise to economic difficulties, as well as to technical problems in drafting an effective law.... It is that Canada will need to generate and invest a large volume of savings over the next decade in order to carry out the economic growth and development we want, and we shall need to attract substantial amounts of foreign capital to supplement our own savings.

I think it is time the minister explored the possibility that perhaps we do not require this vast amount of foreign capital from the United States and that a great deal of the necessary capital is generated here in Canada. The economic council has pointed out that we have one of the highest levels of savings in the world. If that level of savings is used wisely and if priorities are established in the private sector for the adequate and best use of that capital, then I think we would find ourselves in a far more independent position and a better position to manage our economy in the future.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in view of the fact that only ten minutes are left to me in which to make my points, I hope the house will forgive me for a lack of continuity in my remarks. However, there are three areas which have impressed me particularly, and I wish to refer to the following points in the speech made by the hon. member for York South (Mr. Lewis).

I would refer, first, to his comments with regard to the Carter commission report; second, his accusation that we have planned increased unemployment; and third, that we have treated the corporations of this country with kid gloves. Having analysed his speech very carefully, the only part with which I agree totally was contained in his concluding remarks this afternoon. I say this in all sincerity because the hon. member has frequently placed on the record his own personal views about the problems which tend to divide this country.

His words are worth repeating because I know they were spoken with a great deal of sincerity when he said the following:

> All of us in Canada, of all political parties and faiths, are determined to make every effort to overcome divisive influences in our country, and to strengthen the unity and the purposefulness of our nation and our people in every part and in every province.

I suggest to the hon. member that he should use this eloquence, tact and command of the English language to convert the leader of the New Democratic party in British Columbia who rejected the B and B report and who further rejected the principle that French should be taught in the schools in British Columbia.

Mr. Lewis: The hon. member's party does the same to the hon. member for York-Humber (Mr. Cowan).

Mr. Mackasey: Mr. Speaker, I have only ten minutes in which to make my remarks. If the hon. member missed the speech of Mr. Strachan he can refer to the remarks of Mr. Lloyd who led the New Democratic party in

Saskatchewan and who seems intent on following the "do nothing" attitude toward the minorities in Saskatchewan, an attitude which exemplifies the 17 years of socialist rule in that province.

In his subamendment the hon. member pointed out that we have failed to implement the recommendations in the Carter report. We have thus strengthered his efforts to divide the country into big business and little business. This is the type of speech which is indicative of ninteenth century thinking when countries and populations were divided into areas, sections and classes. He asked why we did not impose taxes on insurance companies in accordance with the recommendations of the Carter report. The hon. gentleman knows that the basic philosophy behind the report of the Carter commission, as outlined by the chairman, is that we should either bring in the full report or nothing at all.

I wish to ask the hon. gentleman, who allegedly listens to the voice of the little man, why, if he accepts the recommendations in the Carter report as he and the hon. member for Waterloo South (Mr. Saltsman) just pointed out, he did not urge the implementation of the Carter recommendation that we tax the unemployment insurance benefits in this country. Is this not what the New Democratic party endorses in its blanket acceptance of the Carter report? When the hon. member's party was castigating the oil companies, why did they not accept at the same time the other recommendation of the Carter commission that credit unions and co-operatives in this country be taxed? This is another valid recommendation of the Carter report to which he did not refer. Why did he not mention the recommendation of the Carter report that the investments of non-profit organizations including trade unions be taxed? We did not hear anything about that. What about the recommendation which suggests that benefits such as university tuition paid by an employer for an employee be considered as income to the employee and be taxed?

It is obvious that the only parts of the Carter commission report which appeal to the New Democratic party are those which they feel will appeal to the emotions and prejudices of people who have little or no understanding of what corporations are all about. He said we are soft on corporations. Today I looked up figures relating to the rate at which corporations are taxed in this country and I found that the rate of taxation of corporations in this country is the highest in the western world. It amounts to 52 per cent as opposed to 48 per cent in the United States, 40 per cent in Great Britain and 42 per cent in Australia.

The hon. member accused the Minister of Finance of planning intentional unemployment. There is only one leader in the western world who has done that deliberately, namely Harold Wilson who, when he introduced the austerity program two years ago bluntly said to the trade unions: "We will keep the increased level of unemployment to under 500,000 people". This is the labour government which the hon. member's party holds up as an example to us. The leader of the New Democratic party, who went to Great Britain tonight, will probably come back with some of these lame-brained ideas. No doubt Mr. Wilson and the leader of the New Democratic party will discuss late into the evening why the socialist concept practised in Great Britain has failed, and has no part or place in a country which believes in democracy and in the freedom of the individual.

The hon. member for Queens-Lunenburg (Mr. Crouse), in a quiet and honest way suggested to the hon. member for Waterloo South that the very crux of the matter is that socialism is outdated. Socialism may have its application in developing countries, and in communist countries, but it has no place in the Canadian economy. It is significant that when the hon. member for Waterloo South and the hon. member for York South spouted socialist propaganda tonight they did not refer to a freeze in salaries. They know it is impossible and they know it is not palatable to labour. They know that it is against the spirit of the British North America Act, and yet time after time they get up in this House of Commons with sanctimonious arguments that are against the interests of the people of this country. Canadians know, Mr. Speaker, that the economy of Canada has never been in greater shape.

• (9:40 p.m.)

I wish I had more time because I really want to talk about my Tory friends, who dissipated the greatest majority in Canadian history in 1958 and bankrupted the unemployment insurance fund in 1962.

Mr. Monteith: Take us on tomorrow.

Mr. Mackasey: I have a weak spot for the opposition, because they are the same old

gang we have seen in the House of Commons for too long. Now, Mr. Speaker, the kindest thing I can say about my hon. friend, the hon. member for Perth (Mr. Monteith), is that he accused the government of adding to the inflationary pressures by increasing taxes. The corollary of that would be that if we reduced taxation we would decrease inflationary pressures. I have been trying to figure this out all day and I say that the hon. member's ghost writer should do his homework, or get fired.

Now, Mr. Speaker, I did not refer to the hon. Leader—he will never be right hon.—of the Opposition (Mr. Stanfield) because he is not in his seat. I should like to make a few comments about his remarks but I will do so when he is present. However, the hon. member has been saying one thing which has surprised me. On two occasions he has given his endorsation to the Estates General of the province of Quebec as being a body of serious men discussing serious subjects. This is the same Estates General which refused to fly the Canadian flag at their week end conference. The only conclusion to which I can come—

Mr. Fulton: My hon. friend cannot get away with that.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Will both hon. gentlemen sit down, please? It being 9.45 p.m. it is my duty pursuant to standing order 58(4) to forthwith put the amendment to the amendment.

The house divided on the amendment to the amendment (Mr. Lewis) which was negatived on the following division:

• (10:00 p.m.)

YEAS

Messrs:

Barnett
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Dionne
Fawcett
Gauthier
Gilbert
Godin
Grégoire
Herridge
Howard
Howe (Hamilton South)
Knowles
Laprise
Lewis
MacInnis (Mrs.)
Martin (Timmins)
Mather
Orlikow
Peters
Prittie
Saltsman
Simard
Winch—24.

Division

NAYS

Messrs:

Aiken
Alkenbrack
Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Ballard
Basford
Béchard
Beer
Bell (Carleton)
Bell (Saint John-Albert)
Benson
Berger
Blouin
Boulanger
Bower
Brand
Brown
Byrne
Cadieu (Meadow Lake)
Cadieux (Terrebonne)
Cameron (High Park)
Cantelon
Cantin
Caron
Cashin
Caston
Chatterton
Chatwood
Churchill
Clancy
Clermont
Coates
Code
Comtois
Coté (Dorchester)
Coté (Longueuil)
Crossman
Crouse
Danforth
Davis
Deachman
Dinsdale
Dubé
Duquet
Emard
Ethier
Fairweather
Fane
Forest
Forrestall
Fulton
Gendron
Goyer
Granger
Grafftey
Gray
Greene
Guay
Gundlock
Habel
Haidasz
Hales
Harkness
Harley
Hees
Hellyer
Hopkins
Howe (Wellington-Huron)
Hymmen
Irvine
Isabelle
Jamieson
Johnston
Jorgenson
Keays
Kindt
Korchinski
Laflamme
Laing
LaMarsh (Miss)
Lambert
Langlois (Chicoutimi)
Laniel
Laverdière
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard
Lind
Loiselle
Loney
Macdonald (Rosedale)
MacEachen
MacEwan
MacInnis (Cape Breton South)
Mackasey
MacLean (Queens)
Macquarrie
MacRae
McCleave
McCutcheon
McIlraith
McIntosh
McKinley
McLean (Charlotte)
McLelland
McNulty
McQuaid
McWilliam
Madill
Marchand
Martin (Essex East)
Matheson
Matte
Mongrain
Monteith
Moore
Morison
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Munro
Nasserden
Nesbitt
Neveu
Noble
Noël
Nowlan
Nugent
Olson
Otto

Division

Pascoe
Patterson
Pearson
Pennell
Pepin
Pilon
Prud'homme
Pugh
Racine
Rapp
Reid
Ricard
Richard
Rideout (Mrs.)
Rinfret
Rochon
Rock
Roxburgh
Ryan
Rynard
Sauvé
Scott (Victoria (Ont.))
Sharp
Sherman
Simpson
Smallwood
Smith
Southam
Stafford
Stanfield
Starr
Stefanson
Stewart
Tardif
Teillet
Thomas (Maisonneuve-Rosemont)
Thomas (Middlesex West)
Thompson
Tremblay (Matapédia-Matane)
Tremblay (Richelieu-Verchères)
Trudeau
Tucker
Turner
Valade
Wadds (Mrs.)
Wahn
Walker
Watson (Assiniboia)
Watson (Châteauguay-Huntingdon-Laprairie)
Webb
Whelan
Yanakis—186.

Mr. Deputy Speaker: I declare the amendment to the amendment lost.

Mr. Groos: I was paired with the hon. member for Edmonton East (Mr. Skoreyko). Had I voted I would have voted against the subamendment.

Mr. Nasserden: May I adjourn the debate?

It being twelve minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, December 8, 1967

The house met at 11 a.m.

CANADIAN CENTENNIAL

TABLING OF REPORT OF COMMISSIONER GENERAL FOR STATE VISITS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table in English and in French the report of the commissioner general for state visits during the centennial year 1967.

THE LATE HON. A. J. BROOKS

EXPRESSIONS OF SYMPATHY ON DEATH OF FORMER MINISTER

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I am sure it would be the wish of all hon. members to record in *Hansard* the sincere regret of this house on the news of the sudden passing last night of the late Colonel the Hon. Alfred Brooks. Colonel Brooks, a minister of veterans affairs from 1957 to 1960 and a distinguished veteran of both world wars, was regarded by veterans, by his colleagues on all sides of the house and by the staff of the department as one of the staunchest advocates of veterans rights ever to hold the office of minister of that department.

He was also a veteran in another sense, a veteran of public service outside the armed forces. Colonel Brooks was a teacher and a lawyer, skilled in both professions. He served with distinction as an elected representative in the New Brunswick legislature, in this house and in the other place continuously from 1925 until his death.

I am certain all hon. members will wish to join me and the government in extending our most sincere sympathy to Mrs. Brooks and her two sons in their time of sorrow.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I have the attention of the house for a few minutes to say a few words about the late Senator Brooks. His career was almost unique in the range and variety of service rendered to Canada. As the minister has already indicated, Senator Brooks had a long career of service as a lawyer, teacher and soldier and was responsible for the interests of his fellow veterans as a member of the federal government. He had a distinguished career in the legislature of New Brunswick and in both houses of the federal parliament. His political career started in the New Brunswick legislature back in 1925. He was elected seven times in succession to the House of Commons and for three years was minister of veterans affairs.

Colonel Brooks held his political views strongly and advanced them forcefully. He was a partisan in the best sense of the term, and over 40 years of political service served only to enhance his reputation as a gentleman, a true patriot who was inspired always by the highest aspects of public duty. It may sound easy to speak in terms of 40 years of public service, but a man who gives it makes great sacrifices in his personal and family life. In the federal parliament, from the time of his election to the day of his retirement, he was a loyal and devoted spokesman for the interests of the Atlantic provinces, and he was always a patriot. There have been few men in public life from that region who deserve to receive unanimous respect and affection. Like many of you I have lost an old friend. On behalf of my colleagues and myself I wish to extend sympathy to Mrs. Brooks and the two sons.

• (11:10 a.m.)

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, all of us in this group were shocked indeed when we heard of the passing of Colonel the Hon. Alfred Brooks. Regardless of our differences in political opinion we had a high regard for him as a man who had served his country faithfully in peace and in war. I had a very close association with him personally since our appointment to the committee on veterans affairs in 1945. I knew his great interest in veterans affairs, his great interest in the welfare of veterans and their dependants across this country. We extend to his widow and to the family our most sincere sympathy on their loss.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I join with the Minister of Veterans Affairs (Mr. Teillet), with the Leader of the

Expression of Sympathy for Former Minister

Opposition (Mr. Stanfield) and with the member for Kootenay West (Mr. Herridge) to express to the family of Colonel Brooks our most sincere condolences on this sudden passing.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, the members of this group would like to join in the expression of sympathy on the death of Senator Brooks. Many members of this house remember him mainly because of his gentlemanly attitude, both in and out of this house, and his obvious sincerity in fulfilling his responsibilities as minister of veterans affairs. We should like to join in expressing sympathy to Mrs. Brooks and to the members of the family at this time.

Hon. D. S. Harkness (Calgary North): I should like very briefly to pay my personal tribute to Colonel Alf Brooks, and to express my very deep sorrow at his passing. During the more than 22 years I have been here Alf. Brooks was one of my very closest friends, and the contribution he made to the public life of this country during that period and previously is almost without parallel. I should like to express my very deep sympathy to Mrs. Brooks and the two boys.

Mr. R. Gordon L. Fairweather (Royal): As the successor to Senator Brooks in representing the constituency of Royal in this parliament I should like to thank the Minister of Veterans Affairs, my own leader and others who have spoken so touchingly about the late Senator A. J. Brooks. He served his province and his country in war and peace, both in the legislature of New Brunswick and in both houses of parliament as well as the armed forces. Mr. Brooks, of course, loved Canada, but he had a special place in his heart for the very lovely Saint John river valley where he was born and whose people he served for so long.

HOUSING

TABLING OF WORKING PAPERS PREPARED FOR CONFERENCE

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I wish to table two copies in English and in French of two working papers that have been distributed for use at the housing conference opening on Monday. One has to do with building materials and new building techniques; the other has to do with the studies that have been made in connection with pollution control.

[Mr. Caouette.]

Hon. R. A. Bell (Carleton): I should like to ask that copies be made available for members of the house.

PUBLIC SERVICE

PENSIONS OF RETIRED CIVIL SERVANTS— REQUEST FOR RECONSIDERATION OF INCREASE REFUSAL

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, I should like to ask the Prime Minister a question about the position of superannuated civil servants. In view of the statement made last night by the President of the Treasury Board that deferments in proposed spending programs would be made in such a manner as not to hurt the needy or the disabled, will the Prime Minister reconsider the decision to refuse any increase in pensions to this group which includes many needy Canadians?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope the time will soon arrive when it will be possible to reconsider this matter.

Mr. Bell (Carleton): A supplementary question, Mr. Speaker. Does the Prime Minister realize that this refusal makes a mockery of the committee system—

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Bell (Carleton): —and is a betrayal of the needy men and women who have devoted the best years of their lives to the service of Canada?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary question for the Prime Minister. When the President of the Treasury Board answered a question of mine on this matter last night he said this matter has been and is being considered by the government. Does this mean that the matter is closed or that it is still under consideration?

Mr. Pearson: Certainly not closed, Mr. Speaker. I have just said that I hope the time will come when the decision can be reconsidered.

Mr. Knowles: A further supplementary question, Mr. Speaker. Was this decision really taken as an economy measure or was there some other reason for it?

Mr. Pearson: This decision was taken purely on the ground of the economic situation in the country, and on no other ground.

[*Translation*]

DOMINION OBSERVATORY

REQUEST THAT TIME BE ANNOUNCED IN BOTH LANGUAGES

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I do not know which department is responsible for the Dominion Observatory, so I shall put my question to the Prime Minister.

When we call 994-5852 to have the official Canadian time, we always get an answer in English. I tried personally just half an hour ago with the same results. Why can we not be answered in French as well as in English by the Dominion Observatory?

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to deal with this question by saying I will be glad to look into it.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the resignation of Mr. Ouimet, which is to take effect next Friday, is it the Prime Minister's intention to announce the name of the new president of the Canadian Broadcasting Corporation immediately?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would hope the broadcasting bill would receive the approval of parliament very shortly and that at that time the announcement can be made.

Mr. R. Gordon L. Fairweather (Royal): A supplementary question, Mr. Speaker. In view of the fact there is no president or vice president at the moment I wonder who will be running the corporation pending the passage of the new broadcasting act?

Mr. Pearson: Mr. Speaker, if I am not mistaken there are six vice presidents, and the senior will be the acting president.

UNITED NATIONS

PROPOSED VISIT OF REPRESENTATIVES OF VIET NAM LIBERATION FRONT

On the orders of the day:

Mr. David Lewis (York South): I wish to address a question to the Secretary of State for External Affairs, Mr. Speaker. Did the Canadian government or its representative at the United Nations receive any communication from the Secretary General regarding the proposed visit of two representatives of the National Liberation Front of Viet Nam to the United Nations? If so, was the Canadian government informed of the intended purpose of that visit?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am not aware that the Secretary General has communicated with anyone on that subject, but the United States ambassador made a statement this morning. Several days ago there was some discussion about this matter among various delegations, in which Canada was a participant.

Mr. Lewis: A supplementary question, Mr. Speaker. May I ask the Secretary of State for External Affairs to make representations to United States authorities to allow the entry of these two representatives in the hope that this might open doors to talks about peace negotiations.

Mr. Martin (Essex East): This is primarily, of course, a United Nations matter. The United States ambassador indicated this morning the willingness of the government which he represents to give visas to permit attendance at the United Nations to those who would have responsibility for this particular group that has been mentioned.

FINANCE

FEDERAL EXPENDITURES DURING REMAINDER OF FISCAL YEAR

On the orders of the day:

Hon. J. W. Monteith (Perth): My question is directed to the Minister of Finance. In view of the failure of the Minister of National Revenue during his remarks last evening to detail any savings for the next four months of this fiscal year, will the Minister of Finance tell this house if he expects government spending to March 31, 1968 to continue at the present level, which is 15 per cent above last year's level?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, in the very excellent and far ranging statement which was made by my colleague the President of the Treasury Board, there was detailed the general policy of the government to control expenditures. As the Leader of the Opposition knows, in the operation of a modern government one

can only control expenditures, and many of the measures that were announced by the President of the Treasury Board have an effect on this year's expenditures. I can confirm the figures I have put forward about the deficit we shall have this year and the general controls that we are placing on expenditures during the present year.

Hon. Michael Starr (Ontario): A supplementary question to the Minister of Finance, Mr. Speaker. In the national interest I wish to ask him whether expenditures for the fiscal year 1968-69 will be greater than those for the fiscal year 1967-68?

Mr. Sharp: Mr. Speaker, the estimated increase is of the order of $400 million.

Some hon. Members: Oh, oh.

Mr. Sharp: This was set out clearly and is in line with our responsible attitude to government spending. I believe it is necessary in order to fulfil the commitments that have been undertaken by this parliament. As the minister who is responsible for the Treasury Board has said, we are continuing to spend in accordance with our statutory obligation and to meet what we consider to be the priorities of the Canadian people.

Mr. Starr: A further supplementary question, Mr. Speaker. Will the spending in the fiscal year 1968-69 be greater than the spending in the preceding fiscal year. May I have a yes or no answer?

Mr. Sharp: I gave my answer, Mr. Speaker. I do not think I could be any clearer.

Mr. G. W. Baldwin (Peace River): I wish to ask the Minister of Finance a supplementary question. Possibly the Prime Minister will take note of it, as it might interest him. Can the minister indicate if the rather startling procedure of the Minister of National Revenue last evening in revealing Treasury Board dealings with respect to next year's estimates, before the blue book has been filed, will be an annual practice from now on? In particular, will it be possible for the minister to come back and give us the same gory and harrowing details to show that departmental requests for this fiscal year have been pared down in the customary manner?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this seems to have been the procedure that was insisted on by the hon. gentlemen of the opposition.

[Mr. Sharp.]

Mr. Starr: Nonsense. That is government propaganda.

Mr. H. W. Herridge (Kootenay West): I have a question to direct to the Minister of National Revenue. It is a bit urgent, Mr. Speaker. My question is prompted by a certain linguistic ambiguity contained in a statement made by the minister in the course of his address last evening, when he said "We are not cutting back but, indeed, expanding expenditures in such important areas for our future as aid for the disabled, the ill, or the less fortunate in our country." Is it possible for the minister—

Mr. Deputy Speaker: Order. Perhaps the hon. member should now put his question. Before he does so may I say to the house that we appear to be entering upon a budget debate. Will the hon. member put his question now?

Mr. Herridge: Do you wish me to repeat the question, Mr. Speaker?

Mr. Deputy Speaker: Perhaps the hon. member could put his question in the briefest manner, without details.

Mr. Herridge: I will just give the last sentence. Is it possible for the minister to make the implicit explicit at this time?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): When I made the statement that we are continuing our aid to the disabled, the ill and the less fortunate in this country I was talking about such wonderful legislation as we have brought in with regard to the Canada Assistance Plan, supplementary old age pensions and so on; and when I mentioned the disabled I had in mind a statement which will be made very soon by my colleague the Minister of Veterans Affairs.

Mr. W. B. Nesbitt (Oxford): In the light of that reply can the minister elucidate why he is cutting down school and education grants for Indian children?

Mr. Benson: Not so.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of National Revenue.

Will the restrictions he announced yesterday delay the construction of a federal building in Hull to house the forestry department?

[*English*]

Mr. Deputy Speaker: Order. Again I must advise the house that we are getting into a budget debate. It will only be a few minutes until the house will be able to discuss these matters, and I suggest we move to another topic.

[*Translation*]

Mr. Caouette: On a point of order, Mr. Speaker. I think my question is quite in order and that it is not controversial. Since Hull has been promised a public building for two or three years, I should like to know whether the restrictions will prevent or delay its construction. That is all I am asking the minister.

[*English*]

Mr. Benson: The answer is no; it has not been delayed.

EXTERNAL AFFAIRS

NATO—POSSIBLE CHANGE IN CANADIAN COMMITMENTS

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I should like to address a question to the Secretary of State for External Affairs. Did the minister state at his press conference this morning that the government intends to reduce the number of CF-104 squadrons and the strength of the army brigade group now serving with NATO forces in Europe.

Hon. Paul Martin (Secretary of State for External Affairs): No, I did not, Mr. Speaker. What I said, after consulting my colleague the minister of defence, was that no decision has been taken to phase out the CF-104's in the next four years.

COMPANY OF YOUNG CANADIANS

TORONTO—CONVICTION OF MEMBER ON CRIMINAL CHARGE

On the orders of the day:

Mr. P. V. Noble (Grey North): I wish to direct this question to the Prime Minister. Does the right hon. gentleman intend to condone the offence of the member of the Company of Young Canadians who in Toronto on December 6 was fined $100 with the alternative of 14 days in jail; or will the person concerned be expelled from the organization?

Mr. Deputy Speaker: Order.

Inquiries of the Ministry

PUBLIC SERVICE

REPRESENTATIONS AS TO SALARY INCREASES FOR SCIENTIFIC PERSONNEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the President of the Treasury Board and ask him what consideration the government is giving to the representations of the Professional Institute that failure to grant promised pay increases to scientific personnel employed by the government will mean large scale resignations of these highly trained and irreplaceable staff members.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): With the hon. member's permission I should like to take this question as notice, as I presently have it under investigation and I am expecting a report.

SHIPPING

REPORT ON ADMINISTRATION OF SMALL BOAT HARBOURS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): My question is addressed to the Minister of Transport. Is the hon. gentleman in a position to announce his plans with respect to proposed changes in the administrative arrangements for small vessel harbours arising out of a report from Mr. Tom How concerning conditions on the west coast? The minister told us he had received this report some time ago.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the situation has not changed since the last time this question was asked, except to this extent; that the report has been under consideration and study by the department during the intervening period. I would hope the department would have their comments and recommendations available to me for decision some time early in the new year.

NATIONAL DEFENCE

PROPOSED REDUCTION IN STRENGTH OF ARMED FORCES

On the orders of the day:

Hon. D. S. Harkness (Calgary South): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Is the reduction of the armed forces to 100,000 personnel to be accomplished by reducing the strength of or eliminating fighting units, for example

by taking further naval ships out of commission—

Mr. Deputy Speaker: Order.

Mr. Harkness: —and further reducing the strength of infantry battalions and other army units?

Mr. Deputy Speaker: Order. Would the hon. member put his question briefly?

Mr. Harkness: That is my question, Mr. Speaker. Further, if the reduction is not to be accomplished in that way how is it to be achieved?

[*Translation*]

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, first of all I wish to mention that those cuts were planned after serious and extensive consideration by headquarters, and that we trust we can see them through as indicated without affecting in any way our operational efficiency or modifying at all our present commitments.

Mr. Speaker, it must also be said that this is possible also as a result of the savings made through the unification of the forces.

Some hon. Members: Hear, hear.

[*English*]

Mr. Harkness: As a supplementary question, could the minister now answer the direct question as to whether there is to be a reduction in or elimination of actual fighting units?

[*Translation*]

Mr. Cadieux (Terrebonne): No, Mr. Speaker.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a supplementary question.

It was announced that 7,000 soldiers on active duty will be discharged, since the establishment will be reduced from 107,000 to 100,000. That is the announcement which was made last night and, if such is the case, is the Minister of Manpower and Immigration going to look after the retraining of the soldiers who will be discharged or retired?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I think that the Minister of National Defence indicated that it was not true the Canadian armed forces would be reduced by 7,000 men.

Mr. Cadieux (Terrebonne): Mr. Speaker, I rise on a point of order. I think it is important to indicate to the hon. member for Villeneuve that the reduction, as was clearly explained by the President of the Treasury Board (Mr. Benson) would be accomplished through normal attrition. That does not mean, therefore, that 7,000 men will be discharged. We are going to scale down the recruiting and, since a good number of Canadian forces personnel are now nearing retirement age, this reduction will be accomplished in that way.

Therefore, the problem of referring 7,000 people to the department of manpower in order to obtain employment does not arise.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Defence. He has referred to the reduction resulting from attrition of recruiting. Is the drop off in the level of recruitment due to the declining morale of the armed forces arising from unification?

Mr. Cadieux (Terrebonne): Mr. Speaker, I think it is important for me to say that our problem is that if we let recruiting continue as at present we would have too many people.

Some hon. Members: Hear, hear.

Mr. Cadieux (Terrebonne): We have to restrict recruiting and this, coupled with the natural attrition of the forces, will achieve the 100,000 level of personnel.

Hon. J. A. MacLean (Queens): Mr. Speaker, I would like to ask the minister if he can assure the house that this cut back in total strength will not be accompanied by a similar cut back in the number of operating defence bases.

Mr. Cadieux (Terrebonne): The question of bases is another problem, Mr. Speaker. As the hon. member knows, for a number of months we have been studying a project called base consolidation. Conclusions on it have not yet been reached, and I cannot give any assurance that all the bases operated in Canada will be maintained.

Mr. E. Nasserden (Rosthern): As a further supplementary to the minister, Mr. Speaker, is it not true that total armed services personnel has not reached the figure of 107,000?

Mr. Cadieux (Terrebonne): The actual operating figure has been a little over 107,000.

Some hon. Members: Hear, hear.

Mr. Nasserden: Would the minister tell us when this figure was reached?

Mr. Cadieux (Terrebonne): September last.

Some hon. Members: Hear, hear.

[*Later:*]

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is for the Minister of National Defence. I should like to ask whether the cut-back referred to this morning in personnel and bases is the first step, or the first thin edge of the wedge, in a new policy of the government doing away with defence and assuming a new position of neutrality.

Mr. Deputy Speaker: Order, please.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Minister of National Defence. Will the reduction of personnel in the armed forces from 107,000 to 100,000 be followed by a reduction in Canada's armed units in NATO, or is it to be effected strictly in Canada's establishment of nationally based forces?

[*Translation*]

Mr. Cadieux (Terrebonne): Mr. Speaker, these cut-backs will apply to all Canadian forces but the operational units overseas will not be reduced.

[*English*]

TRANSPORT

REPRESENTATIONS BY TRUCKERS RESPECTING MARITIME FREIGHT RATES ACT

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I wish to direct a question to the Minister of Transport. Did the minister receive a delegation from the Maritime Motor Transport Association yesterday? If so can he report to the house what action he intends to take on their representation relating to the Maritime Freight Rates Act?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I did receive the delegation yesterday afternoon, and I must admit that I am very sympathetic to their problem, which is basically that they do not receive the same treatment as other forms of transportation under the Maritime Freight Rates Act. I could not at this time commit the government in respect of what action it may take, but I did say I would give the matter prompt

attention in the hope that some time early in the new year there would be a possibility of working out a system which would provide equality for all forms of transportation in the maritime provinces.

HOUSE OF COMMONS

STATEMENT AS TO CHRISTMAS RECESS

On the orders of the day:

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, yesterday the hon. member for Villeneuve put a question respecting the date of the Christmas recess. I wish to inform the house that, assuming normal progress with legislation and no unforeseen circumstances, adjournment will take place on Thursday, December 21, and the house will reassemble after mid-January. The date on which the house will reassemble will be announced later by the government house leader.

MANPOWER

PAYMENT OF UNEMPLOYMENT INSURANCE DURING HOLIDAY PERIOD

On the orders of the day:

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, yesterday the hon. member for Moose Jaw-Lake Centre addressed a question to me as acting minister of manpower and immigration. I think with respect, that the question should have come to me as Minister of Labour since it relates to eligibility for unemployment insurance benefits.

The hon. member inquired whether trainees who may be cut off for the two week period at Christmas and New Year's from their living allowances would be eligible for unemployment insurance. I might say that there is no requirement for a two week waiting period; it is only one week. Some of these trainees have already served this waiting period; therefore they would be entitled to their earned benefits. As regards others who have not served the one week waiting period they will be obliged to wait one week before becoming entitled to any unemployment benefits.

AGRICULTURE

INQUIRY AS TO CONTINUATION OF P.F.R.A.

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Can the minister allay the fears of the staff of P.F.R.A. who, contrary to some reports, have been doing a

tremendous job for farmers, that they will be disbanded or placed under some other ministry, later to be released and their worthwhile services terminated?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I am not quite sure I heard all the hon. member's question, but if he was asking as to the disbandment of P.F.R.A. there is certainly no thought of that. At the opening of the South Saskatchewan dam the Prime Minister announced that no thought was being given to stopping the work of P.F.R.A. In fact he very clearly stated that this was a very important government agency, in whose work the government of Canada took great pride, and that it would continue in its important duties.

Some hon. Members: Hear, hear.

Mr. Korchinski: As a supplementary question, is the staff being transferred at present to another department?

Mr. Greene: No, Mr. Speaker.

HIGHWAY SAFETY

REQUEST FOR REPORT ON MOTOR VEHICLE SAFETY PROGRAM

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to ask the Minister of Transport. Having in mind the continual increase in car accidents and the fatalities therefrom, would the minister consider making a report on the status of his department's motor vehicle safety program?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, we are proceeding with the organization within the department of this new responsibility. We have now defined those areas that we intend to tackle first. Perhaps some time in the new year or in the next session of parliament on an appropriate occasion we could give the house an indication concerning what we hope to accomplish next year.

INDUSTRY

COPPER—REQUEST FOR REPORT ON PRICE INCREASES

On the orders of the day:

Mr. Bud Germa (Sudbury): Mr. Speaker, I should like to ask the Minister of Finance whether he is in a position to report to the house any results of his negotiations with the Hudson Bay Mining and Smelting company and the Noranda Copper company regarding their increase in copper prices.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have been awaiting the return of the Minister of Trade and Commerce, who has a responsibility and interest just as great as mine. I feel I should consult with him before reaching any final decision.

FINANCE

REDUCTIONS IN PROPOSED DEPARTMENTAL ESTIMATES

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the President of the Treasury Board for information which I think we should have before we resume the budget debate. With regard to the reductions made by Treasury Board in departmental spending proposals for the next fiscal year, what proportion represents cuts in existing programs and what proportion represents deferment of projects not yet started?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I believe this question was answered earlier by the Minister of Finance. We are going to live within the figure he stated. If my hon. friend was looking for some drastic action such as was taken by the Tory government in the thirties when they cut civil servants' salaries across the board, we have no intention of doing this.

Mr. Fulton: On the contrary, Mr. Speaker, I was asking a plain and important question. I should have known better than to expect a plain answer.

Mr. Benson: Mr. Speaker, my hon. friend should know that he cannot ask a plain and important question.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. Does his reference to the thirties indicate that the crisis now facing Canada is of the same proportion?

Mr. Deputy Speaker: Order, please. This is not the type of question which should be asked at this time.

Mr. Knowles: Pourquoi pas?

[*Translation*]

INQUIRY AS TO RESERVES SUPPORTING CANADIAN DOLLAR

On the orders of the day:

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I have a question for the Minister of Finance.

In view of the fact that the president of the First National City Bank in the United States has just stated that the American dollar is hard pressed, can the Minister of Finance tell us whether the gold reserves guaranteeing the Canadian dollar are adequate at this time and whether there is a risk of this international crisis affecting the Canadian dollar?

[*English*]

Mr. Deputy Speaker: Order. I think this question should be placed on the order paper.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a point of order. If this question is put on the order paper it will mean a delay of several days. The president of the American bank has just made a statement saying that the American dollar is in a bad way, and I am asking the Minister of Finance and Receiver General for information concerning this situation. I wonder, therefore, whether the question is not urgent enough to warrant an answer from the minister, since he seems ready to give it.

[*English*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I have very great confidence in the stability of the Canadian dollar, and hope the house will support the measures the government is taking to ensure the continued stability of the Canadian dollar.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to put a supplementary question to the hon. minister. Could he tell us what gold reserves are backing the Canadian dollar at this time?

[*English*]

Mr. Sharp: Mr. Speaker, these are all a matter of record. They are published every month or so. May I direct my hon. friend's attention to that. A certain proportion of these are in gold and a certain proportion are in United States dollars. I believe they are quite adequate to support the Canadian dollar at the present time.

Inquiries of the Ministry

[*Translation*]

Mr. Grégoire: Mr. Speaker, on a point of order.

The Minister of Finance just said that the figures are published in a report. Now, if we refer to the weekly report of the Bank of Canada, more precisely under the heading "gold reserve" we find there is nothing entered, not even a zero, a one or a two. That is why I am putting the question to the minister.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member is now arguing the question. Again I suggest that he put it on the order paper.

EXTERNAL AFFAIRS

MIDDLE EAST—REPORTED ARMS SHIPMENTS BY FRANCE TO ARAB COUNTRIES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Yesterday in his temporary absence I asked a question of the Prime Minister. At that time the Prime Minister indicated that the Secretary of State for External Affairs would answer the question either later yesterday or today, concerning French shipments of arms to the Arab countries.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sorry I was engaged this morning and did not have an opportunity to deal with this question. I will deal with it on Monday.

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs. Can he advise the house what if any progress has been made in the last several days with regard to settlement of the situation in Cyprus?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there will be, I think some time next week, a meeting of the security council when the results of current consultations will be made known. Consideration will then be given to the renewal of the mandate of UNFICYP under certain conditions which are still a matter of discussion among the parties involved.

Inquiries of the Ministry

VETERANS AFFAIRS

PROPOSED DEFERMENT OF ADDITIONAL HOSPITAL FACILITIES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Veterans Affairs. Last night we were informed that additional facilities at the veterans hospital in Victoria and Camp Hill hospital in Halifax were to be deferred. What facilities will not be proceeded with, thus placing a further burden on the veterans of this country?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, so far as Victoria is concerned we are still talking to the Jubilee hospital people. The actual deferment of capital works will not affect the service to the veterans during the course of the year. Any capital expenditures which are required to maintain services are being carried out.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a supplementary question. Can the minister say quite frankly whether what he has referred to is the plan for a joint hospital to serve the armed forces and the veterans affairs department in Victoria?

Mr. Teillet: Mr. Speaker, there is no conclusion as yet on the question of the joint national defence and veterans affairs hospital in Victoria. This is a problem which has not yet been solved.

LABOUR CONDITIONS

ALTERNATIVE EMPLOYMENT FOR UNEMPLOYED SHIPBUILDERS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Industry. Since the 15 per cent reduction in the steel fishing trawler subsidy effective immediately plus the 17½ per cent reduction in the British pound will mean that steel trawler construction in Canada will terminate almost immediately, as we will not be competitive with United Kingdom yards, is the government giving any thought to providing alternative employment to Canada's shipbuilders?

Hon. C. M. Drury (Minister of Industry): The assumption that the 15 per cent reduction will almost immediately terminate all work for those who are engaged in the production of steel trawlers in Canada I do not think can be accepted.

Mr. H. Russell MacEwan (Pictou): I have a supplementary question, Mr. Speaker. In view of the importance of the matter and in view of the statement that there would not be any cut-back so far as the Atlantic area is concerned, will the minister use his influence with the personable President of the Treasury Board to see whether this cut can be restored?

Mr. Deputy Speaker: Order. I am sure the minister heard the representation which has been made by the hon. member.

HOUSING

INQUIRY AS TO AGENDA FOR PROPOSED CONFERENCE

On the orders of the day:

Mr. John Gilbert (Broadview): Mr. Speaker, this question is directed to the Minister of Labour, who is in charge of housing. Could he give members of the house a general outline of the agenda for the forthcoming conference on housing and urban development?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I should like to refer the hon. member to *Hansard*. I think the proposed agenda was tabled a week or so ago.

FISHERIES

INTRODUCTION OF COHOE SALMON IN LAKE HURON

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, my question is for the Minister of Fisheries. Does the minister support the great lakes fisheries commission in respect of the introduction of cohoe salmon to lake Huron?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I believe the recommendations of the commission have been received by the Department of Fisheries. We are prepared to do what we can to implement any recommendation we receive, provided it is feasible and within the financial position of the department.

HARBOURS

HALIFAX, N.S.—REQUEST THAT CAPITAL PROGRAM BE CONTINUED

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is for the Minister of Transport. Because the modernization of Halifax port facilities is important to reverse the trend toward loss of business, would he assure us that there will be no hold-up in the National Harbours Board capital program for that area?

Hon. Paul Hellyer (Minister of Transport): This is a very general question, Mr. Speaker. I would either have to have it more specifically or take it as notice and obtain any details that my hon. friend may require. Many improvements are going ahead in the maritime ports. I cannot say offhand whether all of them are proceeding, but I know that many of them are.

Mr. McCleave: May I ask a supplementary question, Mr. Speaker. My specific reference is to the containerization program in that area.

Mr. Hellyer: I strongly believe this is going forward, but I will take the question as notice and confirm this to my hon. friend.

AIR TRANSPORT

CANADIAN INITIATIVE TOWARD REVISION OF TRANSATLANTIC FARES

On the orders of the day:

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, yesterday the hon. member for Winnipeg South asked a question with respect to Canadian initiative toward revision of transatlantic air fares. I have now received advice from my officials as follows. No initiative was taken by Air Canada at the Manila meeting of the International Air Transport Association because of an earlier agreement this year to extend existing rates for another year. For this reason the question of rates was not up for discussion at this recent conference.

BROADCASTING

INQUIRY AS TO REJECTION OF APPLICATIONS FOR CATV LICENCES

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question for the Minister of Transport. In the annual report of the Board of Broadcast Governors for the year ending March 31, 1967 it is reported that the Minister of Transport okayed 84 applications for CATV licences as they were not inimical to the interests of broadcasting stations. There were 91 applications made. Would the minister tell us which seven applications were considered inimical to the financial operations of what television stations?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I will be glad to inquire of the Board of Broadcast Governors, determine the names of the seven applicants and send them to my hon. friend.

FINANCE

AVAILABILITY OF COPIES OF BLUE BOOK OF ESTIMATES

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the President of the Treasury Board by way of clarification. In the process of preparing to participate in the budget debate I have been looking for a copy of the blue book of estimates upon which the so-called savings announced last night are based. I wonder whether the minister could tell me where I may obtain a copy of this blue book.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I announced last night that the blue book of estimates will not be completed until January, and it will be tabled at that time. But it will be within the $10.3 billion target set by the government, an increase, incidentally, of only 3.3 per cent in variable expenses next year.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Thursday, December 7, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Monteith (p. 5118).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I must apologize first of all if my voice is not too clear today. I hope hon. members will be able to hear and understand me. I am, of course, very flattered by the interest the Liberal caucus is taking

in me and in my welfare. Twice within the last two weeks I have received the attention of the official hatchetman of the caucus in this direction.

Some hon. Members: Hear, hear.

Mr. Stanfield: I want to assure my hon. friends that generally speaking I find this very flattering. Long ago old Disraeli said there is nothing more flattering than an insult. Of course I recognize that it is up to me to defend myself if I think I need to be defended. I just want to say that from anything I have seen so far I do not think there should be too much difficulty in this connection.

Some hon. Members: Hear, hear.

Mr. Stanfield: Last night, as I see from *Hansard* because I was not in the house, the hon. member for Verdun (Mr. Mackasey) undertook to misrepresent the position I have taken with regard to national unity in connection with the Estates General. I do not worry much about my hon. friend from Verdun except in so far as he is obviously the official agent of the Liberal machine and caucus in this regard.

I raise this matter now to suggest quite seriously to my hon. friends opposite that they have a responsibility to exercise in this regard. I spoke the other day in the house in response to what the Prime Minister said in connection with the B and B report. I said we were not going to try to derive any partisan advantage from the difficult questions raised in this regard. I had considered saying that of course I expected this to work in reverse.

Some hon. Members: Hear, hear.

Mr. Stanfield: But I did not consider it necessary to say this, because I know a number of my hon. friends opposite are very seriously concerned about national unity and other problems in the country, and perhaps naïvely I have assumed this to be the general feeling throughout the benches opposite. I suggest very earnestly to my hon. friends that they should have another caucus and deal with these politically irresponsible people in their ranks—

Some hon. Members: Hear, hear.

Mr. Stanfield: —and explain to them the seriousness of the matters being discussed which are of concern to us all. I just want to say, Mr. Speaker, that I doubt whether anything so poisonous has been said in this house for quite a long time. The statement was not justified, and I do not think one can get very much lower than to try to distort statements on this subject for political advantage, in view of the circumstances in which our country now finds itself.

[Mr. Stanfield.]

Some hon. Members: Hear, hear.

Mr. Stanfield: I want to say also that while this kind of statement is very provocative, I am asking my associates in my party not to retaliate because I think this is far too serious a subject for that. But I do suggest to my hon. friends opposite—

Mr. Mackasey: Mr. Speaker—

Some hon. Members: Sit down.

An hon. Member: You have said enough already.

Mr. Deputy Speaker: Order. Is the hon. member rising to ask a question?

Mr. Mackasey: No, Mr. Speaker; I am rising on a question of privilege.

Mr. Nowlan: He hasn't the intelligence to ask a question.

Mr. Mackasey: I will say at the very outset that I did not hear the opening remarks of the Leader of the Opposition—

Some hon. Members: Sit down.

Mr. Ricard: State your question of privilege.

• (12 noon)

Mr. Mackasey: I have no intention of sitting down until I have stated my point of privilege or until Your Honour tells me to sit down. I did not hear the opening remarks of the Leader of the Opposition who did not hear my speech last evening. However, I did hear the Leader of the Opposition refer to my remarks as being poisonous. I agree fully with the hon. gentleman that the unity of Canada should not be a subject of partisan debate but. Mr. Speaker—

Mr. Deputy Speaker: Order, please.

Mr. Grégoire: This is not a question of privilege.

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order, please. The hon. member for Verdun will have to state his point of privilege.

Mr. Mackasey: Mr. Speaker, the Leader of the Opposition has distorted my remarks of last evening. In no way did I imply that the Leader of the Opposition endorses the separatist tendency of the Estates General. My point of privilege is—

Mr. Deputy Speaker: I must advise the hon. member for Verdun that he has no point of privilege.

Mr. Churchill: Go back and sharpen your hatchet.

Mr. Stanfield: Mr. Speaker, I repeat again that I am not concerned about my hon. friend from Verdun. I am urging my hon. friends opposite quite earnestly to take the situation in hand and ensure we do not have any more of this. I do not think I need say anything more about it.

I wish to say, however, that as I indicated I welcome criticism. Generally speaking it is unfair, but unless it is made with regard to an issue such as this one I do not mind it very much. Some people contend there is nothing worse than unfair criticism. I have long believed that fair criticism is a great deal worse, and I intend to extend it now to my hon. friends opposite in connection with the budget.

What is the purpose of this budget message? Last spring the Minister of Finance presented a budget to the house in which he forecast a deficit of some $750 million. This was described by him as intending to provide a moderate and sustaining influence upon the economy. Why is he presenting an additional message now? Surely the need to sustain the economy in this way has not changed. Indeed, it is more apparent than ever that the economy requires support now. Apparently the deficit is a little larger now than the minister forecast, but so far as inflation is concerned it was as rampant then as it is now.

The stated purpose of the Minister of Finance was to meet growing expenditures and reduce the capital requirements of the market. I was a little surprised to hear that a budget message is required to meet growing expenditures because I thought the minister was working hard to curb expenditures. Of course there has been a failure to control expenditures in the current year, which have been significantly higher than the minister forecast. However, the point I want to make is that on the revenue side the minister's proposals make very little difference in the current fiscal year ending March 31, 1968. Of course for the next year commencing on April 1, 1968 a budget will be presented in the spring.

The minister's proposals, as I understand them, are intended to increase the revenues of the government in the current fiscal year by some $45 million in relation to a total expenditure of nearly $10 billion. These new taxes are very heavy for those who are affected, but obviously they do not change the budgetary picture for this year very much in relation to the total picture.

Why has the minister delivered his budget message now? So far as the expenditure side is concerned, my hon. friends opposite have been dropping hints for a long time about cuts which would be made in the current fiscal year's expenditures. It is very clear from the statement made by the Minister of Finance that the expenditures in this fiscal year, far from being cut, will be higher than he had forecast. So why is this budget message being delivered now? Nothing significant is being done either on the revenue or the expenditure sides in this fiscal year. So despite all the talk opposite, this message has virtually nothing to do with the present year. Also, it imposes significant additional burdens on the Canadian taxpayers. Obviously the government is concerned about the deterioration in the confidence of Canadians in the government. It is so seriously concerned that it is determined to make at least a show that it will do better in the future.

This is the only reason for the budget message now. There is such an alarming drop in confidence in this government that it considered a budget message necessary to assist it in its borrowing operations. It tried to reestablish some confidence in the government among investors and tried to do something about the deteriorating psychological attitude in the country. So what do we get? We get an expurgated version of the budget for next year. This year has been such a mess that the government recognizes it must try to show the people it is determined to do better in the future.

The Minister of Finance reminds me of one of the fans of the old Brooklyn Dodgers. Usually they wound up in the cellar. At the end of each season they said: "Don't worry, wait until next year".

Mr. Sharp: The Dodgers won the pennant many times.

Mr. Stanfield: They did so once in a while, but usually these fellows said, "Wait until

next year", but next year they were in the cellar again.

The purpose of this budget message is not to give the Canadian people, Canadian business, Canadian home owners or anyone else an advance picture of what they may expect next year to facilitate them in their planning. There is no assurance that new taxes will not be imposed and that there will not be substantial expenditures over and above what the minister in charge of the Treasury Board disclosed last night. Indeed, the Minister of Finance and others have indicated that in all probability there will be additional taxation and substantial additional expenditures. So the budget message does not give Canadian business or anyone else a picture of what will happen next year, and it cannot be justified on that ground. It is nothing but an exercise in public relations at the expense of the people of Canada.

• (12:10 p.m.)

There is such a widespread impression of irresponsibility on the part of the government that the government considered it necessary to try to convince bond purchasers, for example, that it is no longer always going to be wrong, that there is no longer always going to be vacillation. This effort to re-establish confidence in the government, if it had been done properly, would have served some purpose because it is important to the country that there be general confidence in the government. The program cannot succeed because the government is not talking frankly. It is not talking about what next year's expenditures are going to be or what revenues are going to be. It does not know what they are going to be. The Minister of Finance has said there is going to be a 4.5 per cent increase in expenditures, excluding certain items such as Expo and medicare. If the Minister of Finance had been prepared to exclude the expenditures on national defence I am sure he could have shown that expenditures would be lower next year than this year. How absurd this is, Mr. Speaker.

Mr. Starr: It is a new method of financing—leave things out.

Mr. Stanfield: I do not know whether the Minister of Finance realizes how absurd this kind of statement seems to other people. He was purporting to give the house and the country a picture of something that the government itself does not know. Obviously this was a waste of our time and a waste of everybody else's time. You cannot restore confidence, Mr. Speaker, by talking about next year's budget if you are neither prepared nor able to talk about what next year's budget is going to be. This is just about as pointless an exercise as one could imagine.

I should like to refer now to the speech last night by the minister in charge of the Treasury Board. He said, of course, that it was not proper to talk about next year's estimates until we have them in front of us and then he spent the rest of the night talking about them. I know I am a newcomer here, Mr. Speaker, but I have never seen anything to parallel this. I have never heard anything to equal it. I am happy to have been able to enter this house in order to see this great new development in parliamentary practice. I doubt that there has ever been anything like it in the 700-year history of parliament.

We all know the procedures followed in connection with estimates. Departments submit their estimates and generally add something to them because they know they are going to be cut. This has been my experience and I think it is the general experience. The estimates come in, somebody totals them and the Minister of Finance almost has a heart attack. At least, that is true of provincial treasurers. Then they set to work to reduce the estimates to some sort of order and they are always cut. Every government in Canada goes through this experience every year. The departments expect this. Sometimes departmental estimates are cut a little more than is expected but they are always cut substantially.

I venture to state that this is the first time in history a democratic government has ever felt itself so desperate that it had to boast about cuts it was making in the requests for expenditures being made by departments. I have known governments to make silly claims, Mr. Speaker, but I have never seen or heard anything to equal this. The relevant figure, of course, in connection with expenditures is the amount of increase compared with other years, not the amount of cuts made in requests for expenditures.

My hon. friends opposite either will not or cannot give us figures as to what the increases are going to be. They are in the position of coming before this house and purporting to give a frank explanation of the financial picture next year, but they give us an expurgated edition. The $11.5 billion to which the minister referred was the total of departmental requests, and then he spent the evening telling us that the government had

cut these requests by 10 per cent. Just as an aside, I was intrigued to hear him talk about the limitation being placed upon the number of government employees. Does this figure exclude the number of employees associated with the implementation of medicare? Is this a rabbit in a hat? I do not know, but it is very relevant. These figures with regard to the number of employees are not significant unless the government is prepared to disclose to the house what their total program is. They should not talk to us about part of their program or the number of employees concerned with part of their program. How can they expect anybody to take them seriously when they stand here and pretend to be hard, ruthless, determined men in dealing with these estimates?

The government has given us a picture that excludes a very substantial program. I wonder what opinion these gentlemen have, Mr. Speaker, of the intelligence of their fellow Canadians? In fact, we have a 4.5 per cent increase plus an amount that the government is not disclosing. If the Minister of Finance and his associates had come before this house and said that in the public interest we should not hold the increase below the 4.5 per cent figure that it is not in the public interest to do so, we might have said you are wrong, but at least we could have respected their honesty. However, when the government comes here with all this fanfare about cutting down requests made by departments it is a hoax and any small respect we had for these gentlemen disappeared last night.

Of course there are difficulties in reducing expenditures. I said, and I do not withdraw that the amount you can save in total expenditures as a result of a reduction in existing programs is not likely to make possible any significant tax reductions. This is what I said, and this is what my hon. friends have been throwing back at me. The difference between what I said and what the government is doing next year is all the difference in the world.

When the hon. member for Kamloops (Mr. Fulton) asked the minister last night a perfectly sensible question for enlightenment, whether the government proposed to make any reduction in this year's expenditures, the minister gave a smart answer. I hope he will not be offended if I say he gave a smart-alec answer.

An hon. Member: He quoted your words.

Mr. Stanfield: He knows what my words were. Certainly it is possible to reduce expenditures in particular programs. I thought my hon. friends were being serious when they were talking about this. Certainly it is possible, but I say again I do not think you can talk about reducing taxes substantially by reducing existing programs. I never said anything to the effect that you cannot reduce to some extent particular existing programs.

Mr. Sharp: That is not what you said. Quote your words.

Mr. Stanfield: I said, Mr. Speaker, that you cannot—

Mr. Sharp: I will send those words over to my hon. friend.

• (12:20 p.m.)

Mr. Stanfield: I know the interview quite well. I say again that it is not realistic to expect to cut existing programs sufficiently to bring about a tax decrease. I said you can only hope to accomplish this through control of new programs. Of course it is possible to reduce particular programs.

Mr. Sharp: You must have been misquoted then.

Mr. Stanfield: No, I was not misquoted. What I said was that it is practical enough in total to effect a reduction in taxes, but that this could only be accomplished through control of new commitments.

There are two sides to this question. My hon. friend suggested making cuts in the current year. Hon. members opposite are the ones who are talking about making cuts. If they had made up their minds to do this and if they gave up their efforts out of deference to me and any opinions they thought I had, or any authority my opinions may have in the world of economics, and consequently decided to quit, then I can assure them that they have not understood what I said. And I hasten to add: Do not let anything I may say deter you from any effort you may be making in this regard.

The minister referred last night to what I said about the control of new commitments and then stated that this was what the government was doing. That was a far from frank statement in a far from frank speech. Last night he discussed only the programs that he was cutting back. He was not prepared to discuss the substantial new commitments that his government was entering into.

The minister rather reminded me, Mr. Speaker, of a debtor, confronted by his creditors, trying to persuade them of the great effort he was making to get his affairs in order. He was telling his creditors how his wife had asked him for a fur coat and he had refused it, and how his son had asked him for a new car and he had refused it also. Then on the way out the creditors happened to hear something about a totally new commitment that the debtor had made and the debtor said: "It is not fair for you to pay any attention to that. Look how hard I have worked to control my expenditures. This other matter does not count; you are not supposed to notice it. Look how much I have saved by not doing these other things".

I do not mind, Mr. Speaker, the Minister of Finance and the minister in charge of Treasury Board making themselves look ridiculous, but I do mind when in their official positions they make this country look ridiculous. What is anybody likely to think of a country whose ministers charged with these responsibilities discuss financial matters in terms of rabbits in a hat? For example, there is medicare: now you see it, now you don't. Let us have some frankness, Mr. Speaker. When ministers discuss budgeting in terms not of comparisons with previous years but of requests that they have turned down, what respect are the people of the country likely to have for the government? I said the other day that believeability is important for a government, that confidence is important. This government has become just incredible in the literal meaning of that word. It is unbelievable.

The government brings in a total budget of $10.5 billion by cutting several existing programs, some of which, of course, are very questionable. I do not propose to go into them now; I expect a good deal will be said about them. What I should like to know—and this of course is the difficulty when you are discussing this question with only an expurgated edition of next year's estimates in front of you—is how much public works have been cut next year compared with the current year. I suspect, judging from the list of the minister's projects, that in order to stay within the $10.5 billion there has been a very drastic cutting in public works projects.

I want to say, Mr. Speaker, that if these cuts are made they will have a very profound effect upon the construction industry. There will be this business of start again, stop again that the government has been indulging in all along, though it may not be as acute as it seems to be at the moment.

[Mr. Stanfield.]

Second, Mr. Speaker, the effect of these cuts on unemployment is likely to be very pronounced. As one of my hon. friends to my left reminded us the other day, there is, of course, a very pronounced multiplier effect in connection with construction expenditure which in turn has a very pronounced effect, both directly and indirectly, on unemployment. Although I am prepared to reserve judgment on this, in view of what the minister said last night it does not look to me as if the government is living up to its assurances that the particular needs in areas of slow growth will be given consideration.

So we are faced with this misfortune, Mr. Speaker, that the government apparently regards itself in such a box financially that it considers it necessary to increase unemployment because of its own mismanagement. If the economy looked soft before the budget speech and the speech made last night by the President of the Treasury Board, it certainly looks a lot softer now for the reasons I have mentioned. It is unfortunate that the government is in a position, or seems to think it is in a position, where it cannot respond to apparently worsening economic conditions but seems to feel that it has to take measures to increase the difficulties. One wonders what the government will do or how it will respond should the economy for one reason or another get into serious difficulty.

However, Mr. Speaker, clearly these are measures which will substantially increase the rate of unemployment, which is already rising. As an anti-inflationary measure this budget is obviously of very little effect. Indeed, it is probably inflationary and will tend to increase the upward pressure on wages as well as add to the psychology of inflation about which the Minister of Finance talked. It is not a budget which relates very much to this year. It is a very incomplete budgetary statement regarding next year. It is not anti-inflationary. It is not related to the needs of the economy. It is an admission of bad judgment and fiscal irresponsibility, and apart from the burden it places upon our people it does not amount to very much more than that.

The government certainly has been and still is very complacent about inflation. I think the Minister of Finance is now prepared to agree that he and his associates have been complacent about inflation in the past. I do not want to be unfair to them in

this regard, but this is the impression I get from this sentence in his budget speech, which is to be found on page 4900 of *Hansard*:

> Canada is now finding it harder to achieve price stability and full employment at the same time than earlier thinking had led us to suppose.

I do not know why the government should have any difficulty in recognizing the problem. Inflation has been rampant in this country for at least three years. Instead of examining their own responsibilities they have been preening themselves enthusiastically about what they have done. It is clear, I think, that our long period of growth came about from the competitive advantage which devaluation of our dollar gave us, as well as from other external factors such as those which brought about the great expansion in the economy of the United States. But my hon. friends in the government allowed this country, within a period of three years, to lose the competitive advantage that devaluation brought. We have had excessive inflation for three years and my hon. friends in the government have done nothing but talk about it. That is not fair; actually, they have encouraged it.

• (12:30 p.m.)

Some hon. Members: Oh, oh.

Mr. Stanfield: The government should begin to recognize the disservice it has done to the economy of the country. It talks about an inflationary psychology. Why should there not be an inflationary psychology in a country that has suffered the rate of inflation that we have suffered for the past several years. Now the government introduces a program to restrain spending. If it can do that sort of thing now, why did it not do it long ago?

Mr. Grafftey: Hear, hear.

Mr. Stanfield: This government has no budgetary policy. This is made clear when one looks at budget speeches and at what has happened recently. This government's budgets have little relation to the requirements of the economy. The government has a good deal to answer for and it will be called on to answer for what it has done.

Mr. Dinsdale: Back to the truth squad.

Mr. Stanfield: Mr. Speaker, I am not against expenditures, that is, I am not against expenditures per se.

Miss LaMarsh: The hon. member was not against expenditures in Nova Scotia.

Mr. Stanfield: About a week ago I said that I was not opposed to government expenditures which were of basic importance to the people and to the development of the country. I said that many government services are desirable at any given time. Obviously that is so but obviously, also, the government must have some test, beyond mere desirability, before it introduces a program. The government cannot do everything that is desirable—and here I differ from my hon. friends to my left in the chamber—any more than an individual can do everything that is desirable. Clearly, the amount of money that the government undertakes to spend must in some way be related to the circumstances of the country and the effect that such expenditure will have on the economy and on individual taxpayers. Admittedly, this involves a matter of judgment at any given time.

Personally, I rate the importance of government expenditures more highly than others in this chamber might rate them and I may be inclined to draw the line at a higher level of expenditure than others would. But, Mr. Speaker, there must be a line. We must pay attention to the physical factors that affect productive capacity in the country and to the psychology of the country. It must be agreed that government expenditures during recent years have been rising more rapidly than revenues and the gross national product have been rising. In due course such rising expenditures must have their effect on enterprises in the country and on individuals. If the load which the country has to bear becomes too heavy it will undermine economic growth. For the future welfare of our people there must be expansion in the future of certain government services. I realize that. But it is not enough to say that a program is desirable; we must also decide what expenditures we may take on at any one time. I am sure the Minister of Finance will agree that today this is the relevant question.

It is proper for an opposition to concentrate its attention at any time on the level of government expenditures. The Minister of Finance must admit, after all his talk about restraint, that the level of government expenditure has become the relevant and crucial question today. The opposition is not obligated to prepare the government's estimates but the government is obligated to allocate its resources to its various programs and purposes. So, Mr. Speaker, it is nonsense to ask the opposition, in today's circumstances,

where restraint ought to be imposed. That is the responsibility of the government. If the government is not prepared to exercise that responsibility, our people will make certain that somebody else does exercise it.

Miss LaMarsh: They may want a credible alternative.

Mr. Stanfield: It is not difficult to provide a credible alternative to a most incredible government.

Some hon. Members: Oh, oh.

Mr. Stanfield: We are confronted with a serious situation and I do not for a moment minimize it.

An hon. Member: I thought that was what you were doing.

Mr. Stanfield: My hon. friend should listen with an open mind. Hon. members on the government side have commented about some of my suggestions. If they will listen to what I have to say perhaps they will comment about other suggestions.

I wanted to say something about the Minister of Manpower and Immigration but since he is not here perhaps I can defer my remarks to another occasion.

As I said previously, government services are desirable if they are to bring about improvements and developments in the country. But at the present time government services are rapidly rising in cost. These costs are growing more rapidly than provincial and federal revenues are growing, and this fact was clearly demonstrated in the study which the tax structure committee undertook. That body was established by this government in conjunction with the provinces and it forecast projected expenditures for existing programs. It also forecast the growth of revenue from existing sources. The conclusion of the federal and provincial officials who were involved in the study was that on the basis of existing programs and existing sources of revenue the provinces would move into a position of increasing deficit and, on the basis of federal programs which were in effect when the study was made, that the federal government would move into a position of surplus. The committee's remarks related to programs such as education. They indicate clearly that with existing sources of revenue an increasing deficit position lies ahead of us. When I say that I am talking about federal and provincial governments together.

[Mr. Stanfield.]

Clearly, this country ought to have some new programs from time to time. Governments should be in a position to respond to new developments which are of advantage to the country and which help the country to respond to new developments.

An hon. Member: Medicare.

Mr. Stanfield: Considering our circumstances as they relate to existing programs, we cannot think of introducing any new programs, Mr. Speaker. I agree in all earnestness with those who say that we are confronted with serious problems. The provinces and this government are bound to come under growing pressure because of programs that exist at the present time. There will be growing financial pressure on government income derived from existing sources. Obviously many of the expenditure programs which are now in effect in the country have built into them provisions that will escalate expenditures. As a result expenditures are growing faster than revenues. This is true even though during recent years there has been an increase in the growth of revenue from existing sources.

• (12:40 p.m.)

So it seems to me that in a confederated country such as Canada, where there is a division of responsibility, it is essential to improve the forms of consultation. I refer to the financial pressures. Obviously consultation is desirable. It is desirable if we are to tackle the problems of inflation in so far as government expenditures contribute to inflation. Obviously we have to encourage consultation if we are to pay any attention to priorities in the country as a whole. This, of course, is not an original suggestion of mine. I have heard it stressed by Mr. Roblin, Mr. Manning and others. Somehow or other we have to avoid excessive taxation, we have to avoid unnecessary inflationary pressures and we have to see that services of basic importance in the country as a whole have sufficient funds allocated to them.

The difficulties involved in effective consultation are great. I suggest, however, that they need not be impossible. I believe we may be entering upon a phase in which the chances of effective consultation are increasing. I say this because obviously the crunch is on this government; the financial crunch is on the provinces. In recent years revenues have been increasing fairly rapidly and perhaps the provinces have not felt the same pressure, but I think there is a chance now to

establish an effective form of consultation between the federal government and the provinces with a view to achieving an appropriate fiscal policy for the country as a whole in connection with inflation and in connection with priorities of expenditure.

I suggest, however, that the consultation has to be genuine. The consultation has to be sincere, not the kind in which the Minister of Finance engaged a week or two ago when he invited the provinces in to urge them to restrain expenditures while the government as a whole was inviting them to embark on a substantial expansion in their expenditures. If there is to be effective consultation between the government of Canada and the provinces there has to be confidence, there has to be sincerity on both sides.

I suggest that we need continuing consultation. The minister may tell me that there is more consultation now than there was a few years ago. I think this is true. But I believe there should be still more. I should like to see an effort made to establish a secretariat of some sort associated with continuing consultation. This government has respect for provincial jurisdiction, certainly, and all those engaged in consultation must preserve some degree of flexibility. But I think the need is so urgent that this issue must be tackled sincerely. It must be tackled with determination and it must be tackled properly.

Some hon. Members: Hear, hear.

Mr. Stanfield: I say to the government: the country requires some leadership in the fight against inflation, leadership involving real encouragement of restraint and some method of providing effective consultation with the provinces. I say that the deliberate creation of unemployment about which we heard last night is totally unacceptable.

Some hon. Members: Hear, hear.

Mr. Stanfield: I say that the complacency which, by its actions, this government continues to show with regard to inflation is unacceptable. I say that the pretence of making cuts in expenditure by denying some request for additional expenditure is unacceptable. I say in all sincerity that confidence in the government, confidence in the country, is of basic importance. Confidence is very delicate. It is taken for granted when it exists but when it is destroyed it is difficult to restore. It is clear that the confidence of the Canadian people, of financial institutions, of anybody you like, including, I think, the backbenchers opposite, in this government is completely gone, and I simply say: Beware lest antics of the sort we saw last night destroy confidence in Canada.

This government is imposing further hardships on the Canadian people through additional taxation and the deliberate creation of unemployment. It has impaired and is continuing to impair the economic future of our country through inflation. I simply say: Please, by trying to be clever politically, do not destroy confidence in Canada.

Some hon. Members: Hear, hear.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am tempted to begin my reply to the Leader of the Opposition (Mr. Stanfield) by repeating words with which he himself concluded his speech. I hope the Leader of the Opposition will not indulge in political cleverness to the detriment of the people of this country.

Before I talk about the substance of what the hon. gentleman said, may I refer to the hon. member for Verdun (Mr. Mackasey). I do not intend to enter into the discussion which has taken place between him and the Leader of the Opposition, but I do want to say this about the hon. member for Verdun. I know no one in this house who has worked harder or been more effective in the cause of national unity than the hon. member for Verdun.

The Leader of the Opposition has not been in this house very long and if he had been here as long as I have, which is not very long either he would have heard the speeches made by the hon. member for Verdun seeking to conciliate the views of French speaking and English speaking Canadians. And he would have applauded, just as hon. members on this side and hon. members opposite applauded. I will not stand here and hear the hon. member being castigated and accused of trying to disturb the relationships between French and English speaking Canadians. It is an unfounded charge and I am sure, whatever the hon. member said, that was the last thing he would have desired to do.

• (12:50 p.m.)

Mr. Nowlan: Did you applaud last night?

Mr. Sharp: Mr. Speaker, the hon. gentleman has given a very interesting and in some respects quite constructive speech. I was particularly interested in his concluding remarks when he began to talk about the

real problems facing the country and abandoned the rather political approach he took at the beginning when he tried to be on both sides of the question. We do face in this country some serious problems. We face serious problems in our political relationships and we face some serious economic and financial problems. We also face some problems in the field of federal-provincial relations that he recognizes, since at one time he had the position of premier of a province. I hope that as a result of the initiatives that have been taken in recent years we can bring about better understanding and establish the kind of priorities this country needs.

But, Mr. Speaker, when I am criticized in this house for having brought down two budgets this year I am reminded of the time when a Conservative administration brought down no budget. I have no apologies for bringing down two budgets. I brought down two budgets because in the interval circumstances changed, and if we are not ready in this government and in this country to reconsider our policies in the light of changing conditions we should not be in office and the members opposite should not be in parliament.

But may I just say that in so far as the hon. member talked about the question of consultation between provincial and federal governments, I am reminded of the position taken by one of his opponents for the leadership of the Conservative party. I can recall how Mr. Roblin, when he was premier of Manitoba, urged the federal government to give up 20 points, I think it was, of the income tax in favour of the provinces. At the time I thought as Minister of Finance this was a rather strange position to take.

Mr. Starr: You are starting to think that way.

Mr. Sharp: But when Mr. Roblin became a candidate for the leadership of the Conservative party he was asked whether he would still advocate those policies. "No," he said, "I changed my mind." I hope the Leader of the Opposition will recognize that he is now a leader of one of our great political parties, and I hope he is beginning to understand his responsibilities as the leader of that party—

Mr. Monteith: He does not need any lessons from you.

Mr. Sharp: —inasmuch as the circumstances are somewhat different when he is a member of this parliament concerned about the welfare of the whole of Canada.

The hon. gentleman talked about the role of the opposition. The only inference I could draw from those remarks was that the Leader of the Opposition was defending the irresponsibility of the opposition.

Some hon. Members: Hear, hear.

Mr. Sharp: He said it was not for the opposition to show restraint—

Mr. Stanfield: No, no, I did not.

Mr. Sharp: —it was not for the opposition to support the government in its policies of restraint. He said in effect, "That isn't our function. Our function is to be as irresponsible as possible, to embarrass the government as much as possible." This is the only inference I can draw from the remarks made by the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Ricard: Be honest and quote him properly.

Mr. Sharp: The Leader of the Opposition has said that he should be regarded as a credible alternative. I find this a very strange attitude on the part of the Leader of the Opposition. Surely if he is going to have the confidence of the people at some time, he should be responsible in his views. He should be a credible alternative. But in the remarks he made today, he did not show himself as being a credible alternative. All he showed was that he was going to continue the same sort of policies, the same sort of attitudes in this house as were followed by his distinguished predecessor. I am sorry about this.

I had expected that when the Leader of the Opposition assumed his present role we would see the opposition measuring up to its responsibilities, measuring up to the expectations of the people of Canada. Perhaps, we have misread that great convention in Toronto when the present Leader of the Opposition was elected. We had thought there was going to be a change. But, I have seen no evidence of change, either in the speech the Leader of the Opposition has made this morning or in the speech he made when he charged this government with mismanagement.

It was the same speech that could have been made by anyone on his side of the house at any time in the past. It was a thoroughly traditional speech of the kind that was made by the leader of the opposition who preceded my hon. friend. The only difference was not in the content but in the manner and the manner, I must say, was

very different indeed. My hon. friend, the Leader of the Opposition, has a very persuasive manner—

Mr. Stanfield: Thank you.

Mr. Sharp: —and therefore I listened to him with greater care than I would have listened to the former leader of the opposition, but I am afraid I was just as disappointed in the content.

Some hon. Members: Hear, hear.

Mr. Sharp: My hon. friend was the leader and the premier of a province so that we are not talking here about a man who has not had the responsibility of power. From time to time, as I listened to his speech, I began to see how he would have defended his government if it had been met by the sort of attacks he made on us today. But just occasionally did I see that. For the rest of the time he was trying to fit himself into the new role of irresponsible critic, and may I say to him it does not fit him well. I suggest to him, if he wants to have an effect upon this house and upon the country, that he should live up to the expectations that we have anticipated. This is what this country is looking for. It is looking for an opposition which is in the great tradition of the Conservative party.

Some hon. Members: One o'clock.

Mr. Sharp: Mr. Speaker, I would like to continue these remarks after one o'clock.

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Sharp: Mr. Speaker, during the course of the remarks made by the Leader of the Opposition he commented on a statement that he had made as reported in the magazine, *Executive,* for November, 1967. For the record I should like to repeat what it was the Leader of the Opposition said, because in the main I agree with it and I think he does, notwithstanding his denial this morning. In response to a question he is quoted as having said:

> I think that anybody who suggests that you can cut down on government spending or offer a substantial reduction in taxes isn't being very realistic. But any government can control the rate of the increase in expenditure.

That seemed to me to be the Leader of the Opposition speaking as a responsible politician and as one with long experience in the government of a province concerned about what are really the facts and reflecting his very great experience. Today we heard him, unfortunately it seemed to me, abandon the role of the reasonable man which becomes him very well and resort to a kind of political gamesmanship in which he is singularly unconvincing. He began by attacking the government, particularly my colleague the President of the Treasury Board (Mr. Benson), for revealing at this time some of the cut-backs that had been made in proposed spending. He said that this was unprecedented. As I recall his remarks he said something to the effect that this was the first time in 700 years of British parliamentary history that there had ever been a performance like this.

Why did the government resort to this unusual procedure? The Leader of the Opposition knows very well why, and so do the hon. member for Carleton (Mr. Bell), the hon. member for Perth (Mr. Monteith), the hon. member for Northumberland (Mr. Hees) and the hon. member for Kamloops (Mr. Fulton). We were urged by the opposition not to talk in general terms but to give the substance of the government's cut-backs which they said they did not believe. That, fundamentally, is the reason the government put forward at this time evidence of its intention to keep within the ceiling of $10,300 million that I had announced both on motions one day and later in my budget speech. But the most flagrant inconsistency, it seemed to me, in the speech of the Leader of the Opposition lay in his attitude toward government spending. At one time he was for it; the next time he was against it. It was really quite a remarkable display of agility.

Usually we hear from an individual member of the opposition that he is in favour of some expenditure and then hear from another member that he is opposed. But there we have the Leader of the Opposition in the same speech appearing to be both for reduced government spending and in favour of more government spending. This a tribute to the skill he displayed, but I really do not believe it is a very great tribute to the intelligence of members of this house who listened most carefully to his very careful statement of the position of the Leader of the Opposition. There was a United States senator who once found himself in a similar spot. He told me what happened. He said that in

his state there was a law about killing squirrels and that this was a very contentious matter. He was in a terrible spot because some of his friends were in favour of the law and some were opposed to it. He got up on the speaker's platform and said, "Ladies and gentlemen, I would like to speak to you about the squirrel law. Some of my friends are in favour of it and some are opposed to it. I have no hesitation whatever in stating my position. I am in favour of my friends."

It seems to me, Mr. Speaker, that the Leader of the Opposition in his speech was trying to appease his friends behind him whether they were in favour of greater government spending or opposed to greater government spending.

Mr. Stanfield: What was the name of your senatorial friend?

Mr. Sharp: I agree with the Leader of the Opposition that the government has a responsibility for decision making. That is what governments are for. In this connection, then, I find great difficulty in understanding why the Leader of the Opposition should have complained because the government made and announces some decisions. This is another kind of inconsistency that I detected in the hon. gentleman's speech.

• (2:40 p.m.)

But the opposition has a responsibility, too. That responsibility is to provide constructive opposition. That is what the opposition, in our parliamentary system, is supposed to do. There is a particular responsibility, of course, laid upon the Leader of the Opposition because he occupies a position of even greater responsibility than other members of the opposition. If he genuinely believes that the government is overspending, his party should at least not advocate large, additional expenditures and should applaud the government when it does that for which the opposition presses.

I listened last night when my colleague the President of the Treasury Board (Mr. Benson) was speaking and announcing some economy measures. He announced the cut-backs the government was proposing. What did I hear from the opposition benches? Was it applause? No. I heard cries of "Shame" after almost each item. Let me ask the Leader of the Opposition some questions.

Mr. Rapp: You will not get answers to them.

[Mr. Sharp.]

Mr. Sharp: That is right; I know I will not get any answers—

Mr. Rapp: Well, you will.

Mr. Sharp: —but I would like to pose the questions nevertheless. Let me ask the Leader of the Opposition whether his party is now advocating an old age pension, across the board, of $100 a month.

Some hon. Members: Hear, hear.

Mr. Sharp: Let me ask him whether the opposition have been advocating increased pensions for retired civil servants.

An hon. Member: With proper management in government we could do it.

Mr. Sharp: Let me ask him whether they are in favour of an increase in the Atlantic provinces adjustment grants. This is one area about which my hon. friend must be very sensitive because he was premier of Nova Scotia and he, quite properly, made representations to the government that they should spend more money in the maritime provinces.

Mr. Bell (Carleton): The opposition is advocating selectivity.

Mr. Sharp: The Leader of the Opposition made representations to the government when he was premier of that province that it should spend more money, in large quantities, in the maritime provinces. Is the Leader of the Opposition in favour of reinstating the shipping subsidies? Is he in favour of the government spending large amounts of money on public works and new railways? Is he in favour of more aid to education? Is he in favour of enlarging the designated areas? Is he in favour of the federal government spending more money to solve the problems of water and air pollution? Have members of his party been advocating that there should be no abandonment of railway lines in the west? Have they been advocating that the federal government should provide no aid to western farmers, no subsidies in respect of wheat, and so on?

I ask these questions really to illustrate the point that these are projects which I think would receive wide support in the house, but the opposition cannot at one and the same time advocate that we make large cuts in our spending and advocate expenditures running into hundreds of millions of dollars.

An hon. Member: They can.

Mr. Sharp: I know they can advocate it, but it is an example of the inconsistency illustrated by the remarks of the Leader of the Opposition. Let me deal with some of the other things that have been advocated by the opposition parties in connection with revenue. They have advocated—I do not blame them but this shows the inconsistency of the opposition—that the 11 per cent sales tax on building materials be withdrawn to a very large extent, at the cost of the treasury. They have advocated cutting taxes in general. Indeed, I recall the position taken by the opposition parties in the debate on the main budget. It was directed against the fact that we had not reduced taxes, although we did to a minor extent. I would be more convinced by the arguments put forward by the Leader of the Opposition if they were not so inherently inconsistent. We have in this party and in this government tried to be reasonably consistent.

Some hon. Members: Oh, oh.

Mr. Sharp: I think the Leader of the Opposition ought to try to reconcile some of his priorities before he lectures the house and the government.

Mr. Nowlan: He is not in government yet, but he soon will be.

Mr. Sharp: I understand the hon. gentleman's dilemma. He is in a difficult spot. He is criticizing a government that in large part is doing what the Leader of the Opposition would do if he were in office. This is the position in which he finds himself. At one and the same time he is criticizing the actions of the government, which he really agrees are necessary, and is suggesting that they are inappropriate to economic circumstances. This is a very difficult position for the Leader of the Opposition.

The Leader of the Opposition revealed his dilemma when he moved an amendment to the last supply motion. It was exactly the same dilemma as he faces today in making his criticism of the budget. He cannot be expected to solve this dilemma by the sort of double-talk in which he indulged today. He knows the problem because of his experience as premier of Nova Scotia. I am not criticizing what he did in that position. I recognize he was more familiar with the problems in Nova Scotia than I am. But he has stood in his place today and lectured this government on its spending. Therefore I should like to draw to the attention of the house the record of the government of Nova Scotia in some of the fields where there has been particular criticism from the Leader of the Opposition and the opposition parties.

The Leader of the Opposition pretends to be a model of fiscal and financial responsibility, interested in keeping down government expenditures and trying to keep civil servants under control. Therefore I think some comparisons with Nova Scotia are relevant. Let me give the figures. I have a great many here but I shall give only one. These figures relate to the public service in Nova Scotia. Between the years 1956 and 1966, a period when my hon. friend occupied the position of premier of that province, the public service of Nova Scotia, those in government employment, rose from approximately 10,300 to 14,419. This is an increase of just under 40 per cent. In the same period the number of civil servants in Canada rose from 336,000 to 361,000 approximately. This is an increase of just about 7 per cent. These are comparisons that I think should be brought to the attention of the house, because I believe that in discharging our responsibilities we are doing at least as well as did the government of Nova Scotia when the Leader of the Opposition was premier of that province.

The hon. gentleman in his speech made these broad, sweeping statements, namely, that the government of Canada had been irresponsible in its spending, that our spending has been too great, that we had employed too many civil servants. I suggest that his criticism of us is certainly not justified by the record of his administration in this field. I recognize that he has special responsibilities, but I suggest to the Leader of the Opposition that so has the government of Canada on behalf of the people of Canada.

Some hon. Members: Hear, hear.

Mr. Muir (Lisgar): It is time you lived up to them.

Mr. Sharp: There was one notable gap in the speech of the Leader of the Opposition. He talked about our Canadian problems as if somehow we were alone in the world. He made virtually no reference—I certainly did not hear it—to the sort of problems that are besetting the whole of the western world of which we form a part. I do not say this because I wish to blame external factors for all our problems. We have a responsibility and we intend to discharge it. I have been frank to say, perhaps more frank than most ministers of finance have been in the past, that we have some special problems which

demand action from Canada and from Canadians. But the common problem that faces all of us, that faces the United States, Great Britain and many of our friends in Europe just as it faces us here in Canada, is a different kind of inflationary problem from any that we have ever seen before. In the main it is not brought about by an excess of demand.

• (2:50 p.m.)

The Leader of the Opposition spoke as though the kind of problem that I had been talking about in my budget speech was a traditional form of inflation brought about by excessive demand. But he knows, I am sure, that there are other factors at work, notably a kind of inflation psychology which finds its reflection in prices, wages and interest rates. This is what prompted the government to bring in another budget at this time. This inflation psychology, this tendency for wages and prices to go on rising, is jeopardizing the future growth and expansion not only of this country but of the western world in general.

Mr. Nowlan: And of Nova Scotia.

Mr. Sharp: Yes, exactly, and of Nova Scotia. This is the problem with which we are dealing at this time, and it is difficult to cope with this new kind of inflation both here and abroad. Read the speeches of the secretary of the treasury in the United States, of the chancellor of the exchequer in Great Britain and of any other minister of finance in the world today, and you might be reading the speeches of the Minister of Finance of Canada.

Mr. Nowlan: And of Nova Scotia.

Mr. Sharp: Yes, exactly, and of Nova Scotia. This problem is common throughout the world and we are trying to face it and deal with it in the proposals which I have put forward in my budget speech supplemented by the speech of the President of the Treasury Board.

When the Leader of the Opposition ran out of substantive arguments, when he found it difficult to square the circle any more, he resorted to the usual gambit of a leader of the opposition. He said that the government has lost the confidence of the people.

Some hon. Members: Hear, hear.

Mr. Sharp: This is not the first time that he has said this because once before he moved a motion of a similar kind. At the time, however, he felt he was saying something new and different.

Mr. Nowlan: Canadians have been saying it for months.

Mr. Sharp: But I can assure him that on every occasion I have heard any leader of the opposition speak in the house he has always made the same sort of speech. I suggest to you, Mr. Speaker, that he failed to make a case. All he made was as an assertion that the government has lost the confidence of the people and therefore the people should put his party in office to do the same thing better. I suggest that this is a lame argument and that we expect more from the opposition.

Mr. E. Nasserden (Rosthern): Mr. Speaker, it is indeed a pleasure to have the opportunity to follow the Minister of Finance (Mr. Sharp). When he first came into the House of Commons and in the years that have followed he has tried to sneer his way through successive budgets and debates rather than deal with the substance of the matters which he has brought forward from time to time. Today we heard him say that the reason for bringing in another budget was the fact that conditions had changed in Canada since he brought down the budget less than a year ago. Well, he can certainly say that again, because the forecast he made at that time was certainly not borne out by the circumstances that developed in the months that followed, and his budget at that time was a failure as was the one before it.

Today he spoke about the irresponsibility of the opposition and said he knew they would try to embarrass the government. I say to you, sir, that we do not have to try to embarrass the government because they are far better at embarrassing themselves. He spoke about the Conservative convention in Toronto and about the expectations of the Canadian people. I suggest that the government is afraid to assess the expectations of the people of Canada at this particular time. That has been very evident from what the Prime Minister has said on more thas one occasion. I suggest that when the time comes for the government to assess the expectations of the Canadian people they will find another disappointment on their doorstep.

However, the most interesting thing he said, in my view, was that certain factors in events which have taken place outside Canada have defeated the aims and objectives of the government. I say to you, sir, that what has happened externally has helped this

country in many respects. I refer to the Rhodesian problem and its effect on Canada's trade, and to the Middle East problem and its effect on Canada's oil sales and the boom that is taking place in the province of Alberta at the present time in oil exploration and the sales of oil. These events have helped to sustain the revenues of this country above those that the minister forecast in his last budget speech. Were it not for these events the situation in this country would be much grimmer than it is at the present time.

I am sorry to see that the hon. member for Verdun (Mr. Mackasey) is not in the house at present. If he is behind the curtains I wish he would come into the house because I should like to refer to his speech last night. He said then that Saskatchewan had a particular attitude with regard to minorities. I throw that charge back at him and I say that the province of Saskatchewan treats all its people on an equal basis. There was no justification for the charge he levelled against the New Democratic party which at one time formed the government of that province but which in all likelihood will not have the chance to do so again. In speaking about the stand taken by one of the New Democratic party members in the house he said:

> The hon. gentleman knows that the basic philosophy behind the report of the Carter commission, as outlined by the chairman, is that we should either bring in the full report or nothing at all.

I take it this means that the government will, as usual, do nothing with regard to the taxation problems of this country. Then he went on to say:

> I have a weak spot for the opposition, because they are the same old gang we have seen in the House of Commons for too long.

The hon. member has not been too long himself. There are many members on this side of the house who have been here much longer than he, and after the speech he made last night they will be here a whole lot longer.

Never before in the history of Canada has a government sought to attempt a deception so arrogant and so transparent as the one now encompassed by the mini-budget and the announcements made by the Minister of National Revenue last night. Last night we witnessed a refinement of arrogance and carelessness unequalled in parliamentary history. Parliament and the Canadian people were subjected to another of these diversionary facades which have become the trade mark of the government, portraying the utter carelessness and unconcern of the Prime Minister and his government for the real problems which have developed in this nation. These problems were outlined in the first paragraph of the minister's address on November 30. As found on page 4899 of *Hansard* he said:

> • (3:00 p.m.)
>
> The purpose of this statement is to present to the house the fiscal measures which the government considers necessary at this time to achieve three urgent and closely related objectives: first, to restrain the inflationary increases in prices, costs and the cost of living that are undermining our prosperity;—

This is an admission by the minister that his policies during the last two years have been wrong.

> —second, to ease the disturbing strains in the capital market that threaten our continued growth; and third, to meet in a non-inflationary way the costs of continuing public programs essential to social security and long run national development.

When we take a look at the budget we do not see those things contained in it, even in light of the remainder of the minister's statement. We see here corroboration of what we knew well before. This government is bankrupt for the second time within a year and for the third time within two years. This is a record that cannot be laid at the door of any other administration in Canadian history. The desperation of the government and the extent to which the financial position of this country has declined can be measured by the fact that once again, so soon after the last tax increases, the unsatisfied appetite of the government for cash could be no longer delayed.

Yesterday, in answer to a question from this side of the house, the Minister of Finance stated that the sale of Canada savings bonds had lived up to the government's sober expectation. This statement by the minister responsible for the fiscal integrity of this nation can best be described as the kind of action one would expect from a drunken sailor on a spending spree. This is why we have this hang-over budget. This is why we have this bankrupt government reaching a greedy hand into the pockets of those who carry a dinner pail. This is why this budget cannot be described as anything but anti-labour.

This is why the Minister of National Revenue (Mr. Benson) came before us last night wringing his hands and trying with agility

and futility to maintain the façade presented by the Minister of Finance earlier. Last night in his opening remarks he said that the less fortunate throughout the world, and Canada, bear on the consciences of each and every one of us. I think they should bear on the consciences of hon. gentlemen opposite in view of the regard they have shown in this respect. There is nothing in the budget to deal with the housing crisis in Canada. I have here a few clippings that I have been able to get together from time to time. I should like to refer to them this afternoon. The first one is from the Saskatoon *Star-Phoenix* and it refers to the National Housing Act interest rate. The article reads in part as follows:

If raising the ceiling on National Housing Act interest rates to 8¼ per cent is the only way to save Canada's housing problems, there may be little room for argument against it. But this new rate is so high as to be frightening to most buyers.

Hitherto, under various lower N.H.A. interest rates, people have complained that, by the time they have finished an ordinary 20 year mortgage, their interest payments have been as big as the cost of the house itself. At 8¼ per cent they will now pay more than twice the price of their property in 20 years.

I have another clipping from the *Star-Phoenix* of September 20, 1967. The headline reads, "Councillors Irked By Interest Rate". The reference is to the municipal council of the city of Saskatoon. The article reads:

A gloomy picture of the bond market was described at city council Monday night as aldermen debated whether to accept a purchase offer for $1,593,000 of civic debentures when the city is forced to offer 7.65 per cent interest.

Mayor S. L. Buckwold said the interest rate is the highest the city has ever been forced to pay in its history and council must be careful with expenditures or it will overburden the taxpayers.

It is interesting to note that Mayor Buckwold is an outstanding Liberal in Saskatchewan. Farther along the article reads:

He recommended acceptance of the Toronto company's offer which he termed "well in line" with the trend of the Canadian market.

Council decided to accept the offer.

Alderman C. A. Wheaton said he was very surprised that the city had received a firm offer to buy the debentures as many cities were experiencing great trouble.

"This speaks well for the city's credit rating", he said, "but we must watch our spending until the interest rate situation gets in hand."

I believe it was this government that brought into being these higher interest rates when they removed the ceiling on interest rates that banks could charge. I recall that in the dying days of the debate on that measure I described the interest rate as a fluctuating one. This is exactly what it has been.

Here is another clipping from the Ottawa *Citizen* which refers to the housing crisis. The *Globe and Mail* for December 7 has a headline dealing with housing which reads, "Saskatchewan Builders Blame Mortgage Lack, High Interest For Housing Crisis". The article reads:

Saskatchewan builders are pointing to 1967 building figures to back up their claim that the shortage of mortgage money and rising interest rates are pricing families in the middle and lower income brackets out of the housing market...

The Saskatoon and Regina House Builders Associations claim 1967 starts are slightly lower than half of Saskatchewan's minimum new housing requirements of about 6,000 units annually...

They predict an acute housing shortage is likely to develop in early 1968.

The article refers to increases in the National Housing Act interest rate, which also affected the situation in Calgary and in Alberta generally. I will not take the time to read from this article the various points I was going to outline. The government was warned time after time by members of the opposition about the effect of the 11 per cent sales tax. Reference was made to this by the Minister of Finance (Mr. Sharp). In addition, there has been a discussion of the interest rate and the effect it would have on the construction industry in this country. There has been talk about parliament and about the effectiveness of parliamentary committees. This government never listens to what members of the House of Commons or the members of committees recommend. In any event, the government has ended up bankrupt three times in less than two years, even though they contended they knew it all and they were part of the establishment.

The government talks about containing the growth in the civil service. Even the minister had to admit that they have added 10,000 to 15,000 additional civil servants per year since this government came to office. It is estimated that in four years 50,000 additional civil servants have been hired by the government. This is the number of people the government needed to help govern because of the inadequacy of the representation they have here in the House of Commons. Then they talk about containing this growth at the present time and they try to call that efficiency. This is getting things done. The Minister of Finance admitted it costs more than twice as much today to govern as it did four years ago when the Conservatives were in office.

• (3:10 p.m.)

Last night the President of the Treasury Board outlined 51 items which constituted a mirage that the government had seen and had decided to eliminate. He said that many more items fell into this category. I think he compared the situation to his wife asking for a new hat and his denying her the privilege of buying it. What the minister put before the house last night was an empty sieve with the marbles rolling on to the floor beyond the reach of anybody. Talk about Alice in Wonderland.

The government speaks about being realistic and coming to grips with the real problems facing the nation. Never before in parliamentary history were so many straw horses put up to be knocked down as the Minister of National Revenue put up last night. We should remember this when we discuss the mini-budget that is now before us for consideration.

What has this government done to reduce inflationary pressure at the present time? Not a single item in the budget speech or in the statement last night will end the inflationary spiral that has been occurring since this government took office. In announcing his tax increases the minister used a trick that he used a year or two ago when he stole corporation taxes from the future. Compared with the record of the former administration, the present administration has always been reaching into the future, taking money from the next year to use in the current year.

With regard to the agricultural situation since this government came into office, when the minister was minister of trade and commerce he disclaimed any responsibility for grain sales which, he said, were a matter for the Canadian Wheat Board. The minister not only convinced his colleagues but he also convinced his counterpart in Washington that the United States would not have to deal with Canadian ministers over the matter of wheat sales. As a consequence, competition has resulted of a kind which has put grain sales by this country in jeopardy in recent months. The farmers of western Canada are concerned about this and they know that the Minister of Finance has had a great deal to do with this situation.

Other problems which have been brought up during the course of this debate concerned turkeys, oil and pollution. The minister has indicated that there is a pollution problem. We on this side of the house thought there was a pollution problem across the way. I say that kindly because not too many years ago hon. gentlemen opposite sat on this side of the house. When today I hear the call for constructive opposition I recall the type of opposition that came from this side of the house a few years ago. In this connection I also recall that the suggestions made by members of all political parties in respect of the successive budgets that were presented to the House of Commons fell on the deaf ears of the government.

One can draw only one conclusion from the economic situation in Canada today, namely, that it is the result of deliberate action taken by the government, first of all in proposing the 11 per cent sales tax on production machinery which will have repercussions on the economy long after the tax has been removed and, second, in removing the ceiling on interest rates charged by the banks.

When the Minister of Finance brought forward the legislation to remove the ceiling on interest rates charged by the banks, I remember he stated that this would provide the supply of money that was essential for the housing industry of this country. That statement was made just a few months ago. The government has now had to admit that once again it was wrong in this forecast. Indeed, the record of this government has been that of one budget forecast after another, each of which has failed to deal with the economic situation in this country.

Mr. Nowlan: Just like the weather forecasts.

Mr. Foy: What about the Alamo of 1962?

Mr. Nowlan: I am worrying about the future, not the past.

Mr. Nasserden: The hon. member opposite wants to recall 1962. In 1961 and 1962 the foundations were laid for the greatest period of prosperity that this country has ever enjoyed. In the intervening four years this government has dissipated the effect of the devaluation at that time of the Canadian dollar, which today is not worth as much as it was then. This is one reason for the budget today. The only time we hear from the Minister of Finance is when the government has once again gone bankrupt. This is not the way to budget for the development of this nation. Without making any further remarks—

Mr. Byrne: Without reading any further, you mean.

Mr. Nowlan: You cannot even read.

Mr. Nasserden: Some people cannot even write, and they have a problem as well. I contend that the government has lost the confidence of the people of Canada. The government has lost confidence in itself. This can be seen in the house every day. It is illustrated by the empty benches when ministers of the crown are speaking.

Mr. Byrne: What about the empty benches on your side now?

Mr. Churchill: There is only one minister in the house.

Mr. Nasserden: What astounds me is the lack of support for the ministers of the government.

Mr. Byrne: What about the vote last night?

Mr. Nasserden: What astounds me is the referred to by the Minister of Finance in his remarks in connection with the leadership of our party. The minister has been forecasting what is going to happen to the leadership of the Liberal party for some time, but he has been no more accurate in this direction than he has been in his budget forecasts. That is an interesting fact to remember.

• (3:20 p.m.)

I conclude by saying that this budget does nothing for the ordinary people of this country. It does not attack the problems of inflation and high prices. It does not provide for new homes to be built in Canada and does not assure us of continuing employment. It does nothing to promote trade or activities that are essential for the welfare of the nation. For these reasons I shall vote for the amendment.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I listened a moment ago to the Minister of Finance (Mr. Sharp) replying to the Conservative leader and I must say, Mr. Speaker, that I found his arguments—hardly worth the name, to my mind—so unconvincing that I have reached the point where I am wondering if it is not a precise indication of the financial and economic situation of the country at the present time. In fact I wonder if the lack of argument of the minister is not an indication that the situation is even worse than he gave us to understand.

Now, Mr. Speaker, the minister could have cut various government expenditures without any Canadian citizen being hurt by it. To my mind, he would have been justified in cutting House of Commons expenditures by lowering the number of hon. members. Right at this moment, for instance, in the row where I am seated, there are but two members out of a possible number of 28. In the first row, there is just the minister and someone who is going to speak to him, which is again a total of 2 members out of a possible 28. In the third row, still on the Liberal side, I can see only 2 members out of 28 who should be in the house. In the fourth row, I do not see any, out a possible number of 28, and finally, in the fifth row, I see two members behind the curtain, and a third coming in.

Mr. Speaker, when it is realized there are not even ten Liberal members present to consider the budget speech, I wonder if a sizeable cut-back of expenditures—

Mr. Clermont: Mr. Speaker, the members of the house went out when the member for Lapointe rose.

Mr. Grégoire: Mr. Speaker, I wonder if a good way to reduce expenditures would not be precisely to cut-back on the emoluments given the members who are not present, in the house now.

I see in the galleries people who can judge by themselves that all those absent Liberal members are far from doing their duty.

As a matter of fact, why have unnecessary expenditures not been reduced, why have the expenses of those absent not been cut, those who usually occupy those empty seats? Why have some of those expenses not been cut?

Mr. Clermont: Mr. Speaker, the members left when the hon. member for Lapointe rose to speak.

Mr. Grégoire: If those expenses were cut, Mr. Speaker, it would help a great deal to reduce the estimates.

When one examines the budget, one finds that it clearly reflects the situation in Canada at present. The federal government is now increasing the tax on tobacco and spirits, apart from imposing a special surtax on the basic personal income tax.

Hardly a year ago, the Quebec government did exactly the same thing. Within a year, as a matter of fact, ten of eleven months later, the federal government increases the tax on spirits and cigarettes. In addition, it increases the personal income tax, which means that we, Canadian citizens, are the only ones in the world to have two governments entitled to levy taxes from us.

In the last two years, the Quebec government has increased the sales tax by 2 per cent; the federal government has increased it by 1 per cent. The Quebec government increased the personal income tax; the government in Ottawa did the same. The Quebec government increased the tax on certain goods, and so did Ottawa. We are the only people in the world who accept and tolerate that two different governments should have the right to tax us, very often, for the same purposes.

Our money is being grabbed from both sides. When two governments levy taxes, this entails expenditures that could be avoided if one government only managed our affairs. Let me give you a few examples, Mr. Speaker.

The federal government pays family allowances to children under 16 years of age; so does the Quebec government. Has anyone considered for a moment that this means that civil servants in Ottawa make a survey of all the children under 16, others keep the records up to date, prepare the family allowance cheques, stamp and mail them?

All this is happening in Ottawa, while other civil servants in Quebec do exactly the same thing in respect to family allowance cheques for children in Quebec. This duplicates the expenditures, since both Ottawa and Quebec have to set up a classification system, with a list of names of all children with respect to family allowances. Both governments have to have their own personnel—which makes it twice as large—to send out family allowance cheques. In addition, two series of cheques and envelopes have to be used; Ottawa pays the postage once, and Quebec a second time. For postage costs only, the federal government expenditure for family allowances amounts to $2.2 million per year. Then, postage has to be paid again in Quebec to mail other family allowance cheques concerning the same children.

Can you imagine, Mr. Speaker, how stupid it is to have a system under which citizens are governed by two separate administrations both doing the same thing at twice the cost, when one expense would be sufficient, just to send out family allowance cheques? Would it not be better to have only one administrative service, using only one envelope for both cheques?

The same thing goes for the Department of National Revenue.

Mr. Latulippe: How much does it cost to collect taxes?

Mr. Grégoire: Is the hon. member for Compton-Frontenac asking me how much it costs to collect taxes? We are the only people in the world with the luxury of two income tax collecting agencies, one in Ottawa and one in Quebec city.

• (3:30 p.m.)

In both places, there are inspectors, auditors, office workers, secretaries and the citizen himself is obliged to fill out two different tax returns: one in Ottawa, and one in Quebec, using exactly the same forms. He sends one return with one amount to Ottawa, and another amount to Quebec with another return. In Ottawa, auditors check to see if the tax return—Mr. Speaker, I hear some muffled noises coming from outside—

Mr. Churchill: Is it a coup d'état?

Mr. Grégoire: Mr. Speaker, I see that objections against the situation I put forward, are raised, and rightly so—

An hon. Member: Grégoire has come.

Mr. Grégoire: Then, Mr. Speaker—

Mr. Chrétien: It is the voice of God—

Mr. Grégoire: I should perhaps move the adjournment, Mr. Speaker.

Therefore, I said that in Ottawa—

An hon. Member: We are going to adjourn—

Mr. Grégoire: Should I move the adjournment of the house, Mr. Speaker, or carry on? In fact, with such a small number of members in the house—

Some hon. Members: It is the children, perhaps the balloons—

Mr. Lewis: It is the only thing that can keep him quiet.

Mr. Grégoire: The snow perhaps! Ah, the hon. Minister of Finance is paying for the fireworks on parliament hill in an attempt to make the people forget about his disastrous budget.

Some hon. Members: Oh, oh.

Mr. Grégoire: It is somewhat the same method which was used by the Roman emperor Nero who, in an attempt to make his people forget about the great fire of Rome, gave them bread and circuses.

Mr. Speaker, I was saying that in Ottawa and in Quebec there are two income tax collection systems—

Mr. Lewis: Louder.

Mr. Grégoire: And that—do you want me to move the adjournment—we are the only ones in the world to accept such a situation.

Mr. Chrétien: It is the voice of God, you had better keep quiet.

Mr. Grégoire: Administrative duplication, duplication of funds to do exactly the same thing can be found also in other fields. For instance, the administration of the winter work program. The Quebec government has set up that department to check and see if the works have been carried out, if the men have been paid at least those who are supposed to work—and when Quebec has finished its inspection, the file for each municipality is sent to Ottawa where exactly the same inspection starts all over again for the same purposes. Therefore, we always pay twice. We pay twice more taxes because we have to pay for two administrative services which overlap.

Mr. Speaker, our country is the only one in the world with two ministers of health, one in Quebec and one in Ottawa; two ministers of justice, one in Quebec and one in Ottawa, who get in each other's way. In fact when Quebec citizens make representations to the federal Minister of Justice (Mr. Trudeau) requesting an investigation into fraudulent bankruptcies for instance, the minister replies: That does not come under my jurisdiction only, it is partly the responsibility of the Quebec minister of justice. On the other hand, when Quebec citizens make representations to the provincial minister of justice, he also replies that he cannot do anything because that comes also under the jurisdiction of the federal Minister of Justice. Because there are two of them, they get in each other's way, and we are paying twice.

We are also the only ones to have two ministers of finance, two ministers of national revenue and to always have to pay in two places for exactly the same thing. We are the only country in the world to have two different civil services to do exactly the same thing. Hospital insurance is shared fifty-fifty by Ottawa and Quebec. On account of that, the government in Ottawa must provide a whole staff to operate this service and Quebec has to hire a different one to do exactly the same work on behalf of the Quebec government. We are always paying twice.

The Minister of Finance finds that the civil service is increasing. How is he going to solve the problem? Well, the best way to do it, and without disturbing in any way the services, is to put an immediate stop to the dual administration and to give back to Quebec what comes under provincial jurisdiction, under the British North America Act. We have two administration levels which cost us twice the amount required, two levels of government which cause delays precisely because they do not agree all the time and are working at odds with one another.

That is why many here have come to the conclusion that we are two nations.

Since decisions are taken in two different places, responsibilities overlap and that doubles the administration costs.

Some people say that we are two nations. So we adopt two flags, the maple leaf flag and the Union Jack. We also adopt two national anthems: O Canada and God Save the Queen, because it is said we are two nations and, in that case, two national anthems are called for.

Last Saturday at the beginning of the Grey cup game, I heard on the C.B.C. French network the announcer say: And now here is our national anthem. And what did I hear? God Save the Queen, our national anthem? That was one nation's anthem. This was happening in Ottawa, in an English-speaking province. It was said that our national anthem was God Save the Queen, right on television in the presence of the Prime Minister of Canada (Mr. Pearson). That was said to be the national anthem of one of the two founding peoples. They talk about two peoples and they talk of national unity. How can they speak of national unity while claiming, in one and the same breath, that there are two founding nations? When there are two nations it is not a question of national unity but of international unity. If it is international unity, there are perforce two states. It is high time to recognize these facts Mr. Speaker.

Since we are on the budget, I should like to raise a point because I think that there are unnecessary expenditures in that area which the government could cut back slightly to achieve better results.

I should like to speak of the economic aspect of winter navigation on the St. Lawrence river which the government could

make possible. A pamphlet has just been published in Montreal. the author teaches at the École des Hautes Études Commerciales in Montreal; he is Mr. Michel Brochu, a geographer holding doctorates in literature and natural sciences from the University of Paris. Professor Michel Brochu has studied this problem and, I believe, it is time for the Canadian government, which is supposed to have jurisdiction over the St. Lawrence to accept its responsibilities and do something on that score.

In his pamphlet on winter navigation on the St. Lawrence Professor Brochu mentions that the methods now being used by the icebreakers on the St. Lawrence, on the orders of the Minister of Transport (Mr. Hellyer) are preposterous and unrealistic.

Professor Brochu says this in his booklet:

In fact, the captains of the ships can reach Montreal against their better judgment and at their own risk without the guaranteed assistance of the icebreakers. The port of Montreal remains open with guaranteed services to the ships who succeed in crossing the blockade.

As far as the government of Canada is concerned, its attitude is the following: let the St. Lawrence freeze completely between Montreal and Lake St. Peter and wait for those strange winter floods to happen and effect the southern suburbs of Montreal and which are precisely brought on by the ice cover which is allowed to form and deepen and under which millions of crystals of ice under pressure following the Lachine rapids accumulate and block the flow of water.

That is when the icebreakers, which are supposed to help prevent and control floods in the Montreal area, are dispatched from far away, from their winter quarters in Sorel or Trois-Rivières, to fight this disaster. However, before they can get near Montreal, they have to make their way through thick ice, tens of miles long; more often than not, when they arrive in Montreal, the floods have already ebbed and the damage has been done.

• (3:40 p.m.)

However, what Department of Transport officials are very careful not to divulge—and those experts cannot fail to know it—is that a radical solution to the flood problem in the communities south of Montreal would be, in fact, to tackle the problem, right from the start and all winter long, that is to handle the cause of the floods, the ice which covers the St. Lawrence right across, between Montreal and Trois-Rivières. The means to do it is self-evident, given a single moment's thought: Ice must simply be prevented from forming in the navigable channel by having an ice-breaker go upstream and downstream every day as soon as the ice starts to form.

The cause being eliminated, there would no longer be any flood, but the implacable and ineluctable consequence of such a logical step would be that ocean-going vessels could go through the seaway all through the winter.

The most astonishing thing is that the people and the main newspapers of Montreal could have believed such a tale (the flood story). None of them saw through that subterfuge which costs Montreal millions of dollars every year.

The situation, Mr. Speaker, is well described. Ice is allowed to accumulate and when the floods begin. the icebreakers docked in Trois-Rivières or Sorel are told: Go and do your job. More icebreakers must then be sent out because the ice is thicker; it takes them more time to reach the flooded areas and, by the time they get there, millions of dollars of damage have been caused. If the icebreakers were allowed to circulate before the ice thickens or before a layer of ice forms, the channel would always be open and there would never be any danger of flood.

Moreover, the government would spend less money because, even if the icebreakers are moored at Sorel or at Trois-Rivières, even if they remain in their home port, the engines must be kept running to keep the ships warm. The personnel and the sailors who work on them are paid just the same; they must still be provided with room and board. Therefore the expenses are the same as if the icebreakers were making regular trips between Montreal and Trois-Rivières.

Just a month ago, that is on November 7 last, the newspaper *La Presse* published an editorial in which Mr. Guy Cormier had the following to say and I quote:

Even if the government refuses to recognize officially that icebreakers have another mission apart from flood control, a realistic attitude would still require a logical organization of that control, that is by ordering ice-breakers to prevent the piling up of a heavy sheet of ice, the remote cause of destructive floods. It would be sufficient for an ice-breaker to sail downstream as soon as the ice is set.

As Mr. Brochu wrote: "The implacable and inescapable consequence of that action would be that the way would be clear to ocean liners throughout winter".

How long will the government persist in keeping up appearances that fool no one, after all?

Mr. Speaker, that is taken from an editorial in *La Presse*. There was also an item on the editorial page of *Le Devoir* of November 6, 1967, practically along the same lines.

Winter navigation on the St. Lawrence would cost less than the present method of preventing flooding, because 5 or 7 ice-breakers would not be needed then to break the ice in case of flooding. In fact, three or four in constant use would be enough to prevent the ice from setting. It would cost less to the

government and would allow all-year navigation up to the port of Montreal. It would also mean tremendous economic development all year long to the Montreal, Sorel, Trois-Rivières and Quebec city areas.

I wonder why people do not react to the facts Professor Brochu of the École des hautes études commerciales explains. In his book, he seems to find an explanation for all this, and I quote a paragraph to prove it:

To say the least, it is surprising that none of the members of the Montreal area has taken up the cudgels for the cause of winter navigation up to the Montreal harbour.

None of the members for the Montreal region have done so; that is astonishing. For instance, the Postmaster General (Mr. Côté) who comes from that area could become one of the champions of that cause. He could study the problem and ask the government to go into it deeply. Then, the—

The government would realize that the opening of the St. Lawrence to winter shipping is no problem, that the whole thing is settled, and that all that is needed is good will from the Department of Transport authorities.

Another member from the Montreal area who should take this matter at heart is the hon. member for Outremont-Saint-Jean (Mr. Noël). The hon. member for Joliette-L'Assomption-Montcalm (Mr. Comtois), whose riding is quite close to Montreal should take interest in this also. The members from the Montreal area should raise the matter in caucus, as this is where they are supposed to do their work, and submit the question to the Minister of Transport and the proper authorities. But there is no reaction on this subject, and this is what bewilders me. Why do they not do something? Why is there not more insistence from the Montreal area members in favour of opening the seaway to winter traffic as far as Montreal?

This would allow the icebreakers to be used instead of being left at the dock. One of these at least could be freed. It could then be used to open navigation on the Saguenay.

This is what professor Brochu has to say on the subject:

The problem is as simple as the solution. We need only remember that ice forms on the Saguenay fjord from the island of St. Louis, 10 miles from the mouth of the river, to the first rapids upstream.

In other words, up to about Arvida.

Three vital ports for the economy of the province of Quebec are thus paralysed by ice: Port Alfred (which imports bauxite and exports aluminum), Grande-Baie (export point for pulp and paper) and Chicoutimi (coastal shipping point). Therefore, in order to open the Saguenay to winter navigation, it would be enough, as for the section between Trois-Rivières and Montreal, to break the new ice that is forming and coming from the Saguenay at the beginning of winter, and repeat the operation about once a week; this fjord would then be easily navigable all winter.

The ice would be carried away very easily by the strong tides which occur twice daily, with the help of the west and northwest winds which blow most of the winter. Another asset is the almost complete absence of ice at the mouth of the Saguenay and off-shore during most of the winter.

Opening the mouth of the Saguenay to 1967 winter shipping is not a reckless nor a daring project.

It is purely a question of wanting to and of using very simple techniques, and it is surprising that the very active élite in the Lac St. Jean area has not yet tackled this question which could be solved immediately, and without doubt successfully, and which will bring in tens of millions of dollars in annual income.

Today, Mr. Speaker, the people of the Saguenay-Lac Saint Jean area have taken an interest in this problem and are asking for winter shipping on the Saguenay all the more because, according to Professor Brochu, it is not a reckless nor a daring project. It is simply a question of wanting to and of using very simple techniques.

The government could do two things: it could save by reducing our present needless spending and then, make rational use of the icebreakers which are idle between Trois-Rivières and Montreal, so that one of them could be free to go up the Saguenay. It would not cost more and the whole economy of the area would develop.

• (3:50 p.m.)

But why is it not done? Why refuse Quebec something that would not cost a cent more, since the men are there, paid and fed? The icebreakers are there, their motors running, in short everything is ready. The only thing we lack is the decision on the part of the Department of Transport to really allow for that winter navigation in the St. Lawrence.

I admit there may well be other areas in this country that would be unhappy, but then, let us make other plans in order to assist them in case they should suffer from winter navigation in the St. Lawrence. But the disadvantages would be quite trivial compared with the advantages for the economy of the entire central area of the country.

Once the winter navigation is made possible up to Montreal, Mr. Speaker, progress would not stop there. There would always be some technicians and scientists who would continue to try to find a method in order to extend winter navigation on the St. Lawrence and that is progress.

Therefore, I submit that point to the Minister of Finance and I hope that the Minister of Transport will take it under serious consideration. Unfortunately, there is not so many members from the Montreal area on whom I can rely for support in connection with that cause. I see the Postmaster General (Mr. Côté) and the hon. member for Outremont-Saint-Jean (Mr. Noël) and I ask them to exert pressure to make possible winter navigation on the St. Lawrence. Unfortunately, the others are not here; I also see the hon. member for Verdun (Mr. Mackasey), who could do his share in this respect.

So, Mr. Speaker, I hope I have outlined the problem clearly and that everybody will understand now that as regards technology, finance, feasibility, nothing stands in the way of such an endeavour. All that remains now is the decision on the part of the Department of Transport, which will entail no extra expenditures.

[*English*]

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, may I begin by paying my personal tribute to my colleague the hon. member for Verdun (Mr. Mackasey) who spoke last night in this house and who, in my experience has been the strongest proponent of national unity both inside and outside the house, ever since I have had the honour to know him. I admire him for it and I believe every Canadian who has at heart one Canada can, in sincerity, honour him and those like him for their work in this direction.

As I believe hon. members know, I am not very politically oriented in this house, but I cannot let go unchallenged the remarks of the last speaker from the opposition who made reference to the support given by the members of my party to our leaders in this house. I should merely like to draw his attention to the fact that when his own leader spoke, upon introducing his motion of non-confidence in the government the other day, the first time he had made a major speech in this house, I took a personal count. I will not trust my figures, but will merely point out that the newspapers drew attention to the fact that there were never more than 45 of his own members sitting in the house at the time he made this speech. I think these figures speak for themselves, and I will not dwell on this any longer.

Mr. Alkenbrack: How many are there over on your side now?

Mr. Groos: There are not very many over here while I am speaking, but it is pretty hard to compete with Santa Claus, who is arriving outside for the children's party.

I should like to refer to the speech made last night by the President of the Treasury Board (Mr. Benson) when he outlined in general terms the cut-backs and delays the government is proposing for the next financial year. I believe we all know that these will have to be made for the good of the country, because of the difficult financial conditions which exist in the country and in the world today, not all of which are of our own Canadian making. I accept that, although my riding will be affected as much as any other. I feel sure our people in Victoria will generally accept the cut-backs in the national interest and I will support the government in the measures they are taking.

There is one cut-back, however, which I simply deplore. It positively sickens me personally, at heart, to think that no money can be found for any federal superannuants, no matter how dire their circumstances may be. I must say here and now that I implore the minister and the government to take another look at their decision not to make any increase in the payments to superannuants next year. Surely there must be some way to help, if not all, at least those in most dire need. Let us at least do something for this group.

Last night I went to the parliamentary library to look up the steps which had been taken during the days when another government was having difficulty making its financial ends meet. You will notice, Mr. Speaker, the mixture of books I have before me. In reading through the parliamentary debates of 1932 I noticed what steps had been taken.

So far as I can make out the civil servants of those days—and they comprise most of the superannuants of today—were not given a salary cut in those terms but, by the Salary Reduction Act, were required to make what was called at that time "a contribution to the welfare of Canada" of 10 per cent of their salaries across the board. It was reduced to 5 per cent for those who earned less than $1,200 a year. At the same time satutory increases were frozen. When this legislation

was brought forward in 1932 the government of the day called that a year of self denial. This was the way they handled the situation. I found that the so-called year of self denial was extended from 1932 to 1933 and then to 1934. It was not until the Liberal government returned to office that the full pay cuts were restored.

Now, Mr. Speaker, a civil servant in those days whose pay was, for example, $1,200 a year and who had a $60 statutory increase coming to him in the normal course of events took a cut of $180 a year during these years. In other words the cut was 15 per cent and he accepted it. This little gimmick produced just over $8 million for the federal treasury, at the expense of the members of the civil service. I should like to remind hon. members that at that time, 1932, the income tax for a person earning $10,000 a year in Canada was $232.

In 1931, which is the closest year for which I can obtain this sort of statistic, the figures show there were 11,000 people in this country earning between $5,000 and $10,000, for a total of $76.75 million earnings, and a further 3,000 earning more than $10,000 for an additional total of $38 million earnings.

I should have thought that a more equitable method of raising an additional $8 million would have been to put a 10 per cent surcharge on those salaries. This would have hurt far less and would have produced almost $11.25 million, over $3 million more than was raised from the poor civil servants. I should like to go further and point out that the federal superannuants of today, after having suffered three years of cut-backs which most assuredly left them with no opportunity to save for their old age, were then faced during world war II with the freezing of their salaries. It is those persons who retired shortly after world war II for whom I plead today, with all the energy I possess. They should not have to beg and I am begging for them now.

I should like to make some positive contribution to this debate so, Mr. Speaker, if you will permit me I shall continue to speak about the federal superannuants of today.

Mr. Bell (Carleton): The hon. member has not done so up to this point, Mr. Speaker. He has been fighting the 1935 election. I think he should get up to date and be contemporary.

Mr. Groos: As I continue, I believe the hon. member for Carleton will be able to understand that what I am trying to point out is that these people who have suffered, as they did, are entitled to our sympathy today in this house. I am very conscious of and sympathetic to the income problems of persons retired from the federal civil service and from the armed forces of Canada. I believe most members of this house know that I and others have been seeking by every means within our power to alleviate their distress. I am attempting again to explain my position and perhaps help the government come to grips with the problem by providing one possible solution.

In general, to run over the background, of course the pensioners' problem arises from the undoubted fact that over the years inflation has gnawed away at the real value of pension dollars earned and paid for while in the government service, and the pensioner in every case now faces the fact that his pension purchases less than it did when he first retired. In addition to this, he has the aggravating knowledge that his former position in the government service now pays a very considerably higher wage than it did while he held the position. Then, too, because of his age, there is a diminishing probability of his being able to obtain another position in today's labour market. Then there is the added possibility that all three conditions I have mentioned will continue.

• (4:00 p.m.)

On the other side of the ledger, the government pensioner does have the prospect of receiving, along with all other Canadians, the old age security pension, now slowly dropping in age limit to 65 and payable at the rate of $75 a month. He knows however that he has paid his share of the cost of his pension. At the personal level, generally the government pensioner firmly believes that the government superannuation fund is growing at a rate faster than it is being used up, and therefore it would cost the country nothing if his pension were to be increased, since it could be paid for out of the growing amount in the superannuation fund.

He knows, too, that the British government has recognized its obligation to its retired civil servants and pensioners and has instituted a method of granting them increases at regular intervals as the purchasing power of the pound falls and as the cost of living goes up. Similar arrangements are in effect in the United States, and in addition I understand that retired members of their armed forces have pensions based on

the up to date pay of the rank they held when they retired. In Canada, in 1958, the government granted increases to certain federal superannuates who retired before December, 1952.

As I have said before, I have every sympathy with Canadian government pensioners and I support their cause wholeheartedly. My investigations, however, have shown me that things are not quite as they seem. First of all, while it is true that the federal superannuation fund is in fact growing, since its annual income is greater than its annual expenditures this can be quickly explained. The pension fund must grow, with the ever-increasing number of contributors, if it is to be self-supporting and be able to pay out pensions when they eventually become due. To deal with this right away, I should like to point out that I have introduced a measure in the house suggesting that the government set up a special commission to inquire into the status of the federal superannuation fund, and that on the commission there should be at least two full-time representatives of the federal superannuates national association.

I have suggested this commission because I think we should get at the truth of the matter. It should be proved or disproved once and for all, impartially, whether or not the government is making money out of the federal superannuation fund, and all persons concerned should be informed and convinced of the true state of affairs. This includes the government. Furthermore—and this is equally important to my mind—I have asked that this commission be empowered to make recommendations as to possible improvements in the organization and administration of the federal superannuation fund.

I have asked this because it is my firm belief that the federal superannuation fund as it is presently set up is not capable of coping with the problems of the twentieth century and, in particular, with the problems of inflation which are world wide these days. I think the fund could be set up in such a way that it could better deal with this state of affairs, and latter I will explain one alternative that occurs to me.

Looking at the situation from the government's point of view, I appreciate the fact that they have been earnestly seeking a solution. I discover first of all, on investigation, that some departments of the government are responsible for their own pensioners and the cost of any increases in pensions must come from that department's annual vote. This is a complication. Second, having pursued this matter in some detail I have the unshakeable feeling that the government is somewhat reluctant to tie itself down to what I think is one fair solution—and the one recommended most frequently by the pensioners—namely a regular schedule of periodically reviewing pensions. The reluctance, if I can call it that, is perhaps because the government feels it would be stepping into an area the cost dimensions of which would be almost impossible to delineate and there would be, furthermore, built-in inflationary overtones. In simple terms the government may be of the opinion that it would be faced with future costs of unknown and possibly unmanageable proportions. In fairness to the government, I think it should be pointed out here that they have recently instituted the Canada Pension Plan, which will at least grant pensions to almost all wage earners. This plan does have built-in cost of living factor, but this does not help the present federal superannuate.

I have a plan which I believe the government should study. I believe it has merit, and it could be adopted very quickly both by the government and other employers if they feel so inclined. Over a fairly short number of years it would delineate the problem and employers, whether they be the government or others, would then be faced with costs both easy to calculate and, I think, perfectly manageable.

My plan, very roughly, calls first of all for the establishment of what I will call a government mutual investment fund, operated perhaps by a consortium of investment companies. Under my plan, the employee still in the government service would have far more control over his pension fund than he does at the moment. He now has none at all. He would then be entitled to decide for himself, at regular intervals, in what proportion his pension fund contributions are to be divided between the pension fund as it now operates—where his contributions and the matching government contributions grow at a fixed percentage rate—and the government mutual investment fund. In this computer age it should be a comparatively simple matter, say at the end of every month, to give the government employee a statement as to the value of his pension account. Then, as I have said before, he should be able to adjust the proportions almost at will to suit his needs or even his whims.

The purpose of the government mutual investment fund would be to permit the government employee to share in the growth of the country through our industries and the development of our natural resources. The possibilities of growth in such a government mutual investment fund should go a long way toward keeping in step with inflation and the rise in the cost of living. It might even surpass it. In fact, the history of the growth of well-managed investment funds shows this to be likely. The cautious federal employee will keep all or most of his pension fund invested as at present. If he does this, he should know it will be at the risk of finding himself in exactly the same position as the federal superannuate does at the moment. The more venturesome federal employee will invest his funds more in the government mutual investment fund, and he should reap any benefits. As a result, he may well find his pension capital considerably greater than it would otherwise have been when he comes to retirement.

To pause for a moment in developing my proposition, I would point out that what happens today is that the government employee going to pension has, in effect, a government annuity purchased for him on the day of his retirement. It is a fixed amount, based in the main on his contributions and his age, and there are certain provisions for survivor benefits. Then, too, from time to time the government has to inject extra money into the fund to take care of salary increases beyond those due to normal promotion. I know this is an oversimplification and I apologize to the house for it, but I think it best describes the true situation. It is inflexible, and that is another fault I find with the present system.

Having said this, I will now proceed to my next suggestion. I believe that when a person retires from the federal civil service, the way these pension moneys are paid out should be more flexible than is now the case. I suggest that not everyone needs or wants to draw his full pension right away. If not, I do not think he should be forced to do so. Furthermore, I believe some persons may require a certain amount of capital when they retire. If so, I think they should be entitled to get it out of their pension fund. Why not? It's their money.

I believe the federal superannuate should, if he so desires, be permitted to leave all or a part of his money invested in the superannuation funds, fixed or mutual, just as long as he wants to, and if he dies while it is still so invested it should then form a part of his estate.

I can see the plan I have outlined will not be an easy one for the government to accept, for a number of reasons. To begin with, it is still in the idea form, but in addition I can see that the Minister of Finance will be reluctant to allow the federal superannuation fund, which now contributes fairly large amounts to the government coffers, to slip from his grasp, since if this happened he would have to borrow equivalent moneys elsewhere to replace those amounts put into the government mutual investment fund. Furthermore the administration of the superannuation and the government mutual investment funds in the way I have suggested would be complicated and would require special equipment and personnel.

I feel sure, however, that none of these difficulties is insurmountable. The idea could be developed by persons with more expertise in these matters than I posses. The funds lost to the Minister of Finance can be raised for the government by other means over a suitable period of time, and the increased cost of administration can be calculated and perhaps allowed for as an operating cost chargeable to the fund.

• (4:10 p.m.)

I think the benefits from such a scheme as I have outlined would be several. First of all, most of these federal employees now "in the stream" would be able very quickly to establish control over their own pension funds. Once this is done, they would have little cause for complaint in the future if they found themselves in the income cost squeeze. Their pension income, quite largely, would have been determined by themselves. Of equal importance, however, is the fact that the government will equally quickly face a problem of known and manageable proportions in that, having removed from their direct responsibility most of the federal employees now in the government employment and those in the future, they would be left, in the main, only with those already retired. I think this is the point at which we want to arrive. The government can calculate exactly the cost of improving the financial position of this group. I feel most strongly that the government has a moral obligation to do this, at least to the point of re-establishing the pensioners' real purchasing power to the level where it was when they retired.

The government should give the lead to other employers in this respect. In fact some

companies have already surpassed the government in accepting a continuing responsibility for their retired employees.

There are unquestionably other methods by which the federal superannuation fund could be improved. If the special committee which I have suggested is set up, it should be able to consider them all and choose the best one.

My plan is not entirely new, but I have been espousing it in various ways for some time and this is the first time that I have spoken fully on it in the house. However, I see signs of similar schemes in the United States of America. I notice that in the *Wall Street Journal* of November 28, at page 32, there is an article written by W. M. Carley which I should like to quote in part. It reads as follows:

> Major insurance companies are getting set to invade the multi-billion dollar mutual fund business.
>
> The big insurers already have dipped into common stock investments by offering variable annuity plans in which the payments to pensioners rise and fall with the market value of the common stocks in the plan's portfolio. Most of these plans, however, are available only on a group basis.
>
> Now, the insurers are preparing to plunge full tilt into selling mutual funds outright.

Further on, the article continues:

> Conventional life insurance premums are currently invested mainly in bonds and mortgages, giving the insurance company only a fixed dollar return, the value of which can be eaten away over the years by inflation. Investments in common stocks, in contrast, provide a hedge against inflation by giving the insurance companies a chance to benefit from rising market values.

Then it goes on to say:

> "Practically every major insurance company will be in the mutual fund business soon", a senior vice president for one company says. "When one goes in, the others are forced by competitive pressures to follow."
>
> Many insurance companies already have started to sell variable annuity policies, a middle road between conventional life policies and mutual funds. Like the funds, payouts from variable annuities may fluctuate because part of their value is based on investment in common stocks. But, as with insurance policies, the payout can be guaranteed to the holder's death.

I see my time is nearly up. I put forward my suggestion in all sincerity and earnestness. I know there are many others on both sides of the house who share the same concern for the plight of the federal superannuation pensioners. I ask the minister to look into my suggestion. I do not claim it has any particular merit, nor is it particularly original, but I put it forward as one means whereby the government may be able to resolve the present unhappy situation, and I urge the minister most sincerely to consider it.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have almost begun to regret that I have altered my usual procedure in the budget debate, and have asked two of my colleagues to lead off, after which I would follow them. I knew of course that Friday afternoon would not be a very good time in which to speak, but I thought I was only going to deal with Mr. Scrooge. Now I find I will also have to compete with Santa Claus outside, so it is all rather difficult.

I listened with great interest both to the speech of the Leader of the Opposition (Mr. Stanfield) and to the reply of the Minister of Finance (Mr. Sharp), and I realized that these two gentlemen were in a very difficult position because traditionally they are supposed to be on opposite sides but it became very obvious they are on the same side.

The only positive statement of the Leader of the Opposition which struck my ear forcibly was when, toward the end of his speech, he very skilfully cut the ground from under his own feet and that of his whole party when he, quite rightly, accused the government of deliberately creating unemployment by following the policies which he and his colleagues have been insisting on almost ever since word of the budget came out.

There was another thing that I noticed in the speech of the Leader of the Opposition, and this was an omission. There was no mention whatever in his speech of his attitude toward the now famous report of the Carter commission on taxation. I can only assume from this that he has the same attitude as the government in this regard, as he seems to have in all other policies, and that he is prepared to attend the funeral of the Carter report which has been organized by the government at this time.

Speaking in a more serious vein, however, I think this is an appropriate time for me to pay a tribute to Mr. Kenneth Carter, a man who over the years has worked with his commission to produce what is acknowledged by taxation experts all over the world as the most comprehensive survey and the most equitable proposals for taxation that have yet appeared. I think it is regrettable that the only area from which Mr. Carter seems to get any commendation is the vast mass of the Canadian people who would benefit by the adoption of his proposals. The loud chorus of opposition which has been voiced by special

business interests in the country, whose toes would be trodden upon, is in itself a commendation of that report. It was Professor Musgrave of Harvard who concluded his analysis of the report in the following words, which I paraphrase. He said that this is the most forward looking and equitable taxation program that has yet been produced in the world. He said that, as one who has been desperately trying for years to inch his own government in the same direction, he wishes Mr. Carter luck. Unfortunately his wish will not be fulfilled.

When I listened to the two ministers who presented the budget—

Mr. Sharp: Before the hon. member moves on to another subject, may I ask him whether he advocates all sections of the Carter commission report, or whether he does so in a qualified way?

Mr. Cameron (Nanaimo-Cowichan-The Islands): I am an advocate of all sections of the Carter commission report. There may be some that will tread on the toes of those who we think are especially associated with me, but by and large I think it is an excellent program which would be of benefit to the country.

Mr. Sharp: I have one more question. Is the hon. member in favour of taxing veterans disability pensions as income?

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, certainly, if the recipient is within the taxation level at which he would be taxed. Of course he is not likely to reach it. I think the minister could count on one hand all the ones who would be in that position, because the government has not been as generous as all that.

When I listened to the two ministers presenting the budget—and I think that is a fair way of expressing it because it was presented in two parts, first the Minister of Finance presenting his side of the budget and then his *alter ego*, the Minister of National Revenue, presenting his side—the thought occurred to me that these two gentlemen presenting their plans for the economic direction of Canada were rather like two badly trained plumbers who have only been taught to turn on the main valve on one side and turn it off on the other side. So we have the Minister of Finance fiddling with the inflow valve while his *alter ego* gave a tremendous wrench to the outflow valve.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

It struck me that these two gentlemen should have had a more sophisticated method of approaching our economic problem. It made me wonder just what were the economic textbooks by which they guide their actions.

• (4:20 p.m.)

I found considerable entertainment in the performance of these two ministers. However, I think we have to face the fact that the Minister of Finance (Mr. Sharp) is in a very serious jam today; there is no question about it. For the moment, I am not going to deal with the question of whether he is there as a result of his own sins of omission or commission. In this situation in which he finds himself, he has two problems before him; one is the immediate problem of finding the money with which to finance the operations of the government and the other is, of course, the developments in the economy which have caused the immediate problem.

The first problem, Mr. Speaker, gave him two choices, theoretically at least; one of increasing revenues or the other of curtailing expenditures. It is interesting to see that, in fact, the minister opted for the second. No serious attempt was made by him to increase government revenues. We found out last night what was the inevitable result of having opted in this direction.

The minister has succeeded in raising, I think, just about $280 million more with the 5 per cent surtax, and $95 million in hoped for revenue as a result of the increase in the liquor and tobacco taxes. This is not going to solve the problem—will not come anywhere near solving the problem. On the other hand, he let us know quite plainly that he was not interested in examining or implementing any of the features of the report of Mr. Kenneth Carter. The Carter report goes into some detail as to the possibilities for revenue as a result of the adoption of even certain of its recommendations. It was estimated for instance that the imposition of a capital gains tax at the rate the commission advocated would have given some 10 per cent of the present revenue. That would have been the revenue for 1964. I presume that, pro-rata, it would have the same ratio in 1967. As I say, the yield would have been 10 per cent of the revenue from personal income taxes. If my arithmetic is right, that amounts to the sum of $214 milllion.

Mr. Sharp: For what year?

Mr. Cameron (Nanaimo-Cowichan-The Islands): That was in 1964, and I presume it would be much more for 1967. Then, the estimate for the loss in revenue caused by the elimination of depletion allowances for oil companies and tax concessions for mining companies were estimed at $150 million in 1964. I think the minister will agree that the commission has the services of some expert research economists. If these depletion allowances and special tax concessions were done away with and the Carter commission's write-off provisions were included there would probably be about $124 million more income in 1967 from that source.

Mr. Sharp: For what year?

Mr. Cameron (Nanaimo-Cowichan-The Islands): I beg your pardon?

Mr. Sharp: The hon. member usually will answer questions and I put this question to him knowing that he wants to be serious. I say, for what year, because we have examined these figures and there would be no early revenue from any of these sources.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I stand corrected by the minister, but I find it difficult to accept that there would not be any revenue this year.

Mr. Sharp: Or next year.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I find that difficult to believe. The minister would have to produce a more convincing argument before he could convince me of that.

Mr. Sharp: I shall do so.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The Carter commission has also suggested that insurance companies should be taxed at the same level as other companies in the country. I think in 1964 this would have yielded some $75 million. Here we have a total of rather more than $400 million based on figures for 1964. The minister thinks that in 1968 he will have to go into the market for $750 million. I suggest his task would be made so much easier if that were reduced to the sum of $350 million.

I should like now to turn to the question of the minister's long range troubles, because they really are far more important to us than the troubles he is having at the present time. One of his troubles is compounded by the circumstances drawn to the attention of the house last night by my colleague the hon. member for Waterloo South (Mr. Saltsman), that is the unbelievably large volume of debt that has to be redeemed in 1968. I am astounded that two successive governments should have committed themselves to the economic imbicility of having such vast amounts come due in the same year. This is the situation the minister has to face, so he has been receiving some opposition, or perhaps I should say experiencing some difficulties in selling his bonds. The result has been that the chartered banks this year, up to November 29, 1967, took an unprecedented volume of these bonds, some $800 million. I hope I am not too cynical when I suggest there might perhaps be some connection between that action on the part of the chartered banks and their action in raising their prime rate.

I drew this action to the minister's attention, and he promised me he was going to investigate. If the investigation proved my allegations were right, he was going to take action with regard to one little racket on exchange charges. I feel there must perhaps be some connection between the silence of the minister and the fact that the other day I asked him if he was asking the chartered banks to exercise the sort of restraint he was asking other factors in the economy to exercise. He told me yes. Later, however, I heard him suggest during an interview that what he had reference to was the action of the Bank of Canada in persuading banks to exercise restraint in the amount they would pay for deposits. He has not yet answered whether or not he pointed out to the chartered banks that really this increase in the prime rate was totally unjustified, particularly since it took place at the very time the banks were reporting high dividends. The profits are very handsome. The Toronto-Dominion Bank makes a handsome profit and says that their profits rose to a record of $12,284,720 from $10,892,000 the year before. There seems to be some connection between there not being any reply by the minister or the Bank of Canada, and the fact the government is obliged to the chartered banks for helping them to recover from their own lack of care by having so many bonds mature in the same year.

The minister has I think a more fundamental problem in coping with this situation in the economy than trying to cope with the particular financial jam in which he finds himself. This problem is outlined in a general way by referring to the continuing rise in prices, the continuing rising unemployment

figures and high interest rates. As I said, we have dealt with the matching of government revenues and government expenditures. I think he has something much more fundamental to deal with than merely trying to find enough money to carry on the operations of government. He has perhaps a very difficult situation to face because almost every way he turns he finds a lion in his path. He finds his hands tied wherever he wants to move.

One of the most glaring examples of this is the fact he has committed the government of Canada to two different policies, to be carried out simultaneously, that are in fact contradictory. Not long ago we saw the Bank of Canada attempting to cope with this problem of a fixed exchange rate plus an agreement with the United States to maintain reserves below a certain maximum level.

• (4:30 p.m.)

As you will recall, Mr. Speaker,—and I am sure the minister does,—it was necessary for the Bank of Canada to move into the market to keep the Canadian dollar down to the pegged level, and in the process they were bound to add to their holding of United States dollars, bringing that holding very close to the ceiling.

I think these two contradictory policies are the result of a curious preoccupation which the government of Canada and many others in Canada seem to have had for some years past, and that is the provision of capital for the development of our country. We are told—to my mind told *ad nauseam*—about the necessity for continually attracting new capital into Canada in order to proceed with the development of this country.

When the minister was in New York—this was the time you remember, Mr. Speaker, when he took time off to pray for stability in the United States economy—the minister also did something that was a little more practical; he tried to persuade the owners of United States capital that Canada was a very safe and sane place in which to invest, and the minister hoped that the United States would invest.

What I am interested in, Mr. Speaker, is why we go to New York in the person of our minister to ask the United States to keep the tap turned on, but at the same time to keep the plug out of the tub at the other end. I have before me figures which appear in the quarterly review of the Canadian balance of international payments, produced by the Dominion Bureau of Statistics, and in which this is reported:

> Canada's current account deficit with the United States in the second quarter of 1967 (excluding gold production available for export which is conventionally attributed to the United States account) was $544 million. Net capital movements between the two countries produced an inflow of $58 million as an influx of $239 million of long-term capital was in part offset by an outflow on short-term account of $181 million. In sum these transactions with the United States gave rise to net payments by Canada of $486 million, over twice the corresponding figure for the first quarter.

This seems to me to raise some doubts in one's mind as to whether or not the inflow of capital from the United States is really required for the financing of our development—indeed, whether it is playing any part in the financing of our development—or if it is in effect merely coping with the results of past inflows of capital from abroad.

In the Dominion Bureau of Statistics report there are figures showing that in 1966 the receipts in the form of interest and dividends, gold available for export, and all other transactions but not merchandise transactions, amounted to $1,151 million. I find that for the first two quarters of 1967 there are receipts of about $510 million, and apparently they are fairly evenly distributed through the year. I think it is not too rash to suggest that our total in 1967 will be not much over $1 billion.

On the other hand, the interest and dividend payments we have made in 1966 amount to $1,135 million, and all other transactions except merchandise transactions amount to $13,15 million. In 1967 for the first two quarters some $543 million was paid on interest and dividends, and all other transactions amounted to $847 million. Again to make a projection, one would assume that for the year very close to $1,700 million will be going out of the country in the form of capital, to which I suggest the report refers. An outflow on short term account of $181 million is mentioned in one place.

It seems to me, Mr. Speaker, that this is the problem faced by the government. We keep our interest rates higher than those of the United States in order to attract the inflow of capital. We are repeatedly told that is why we have to keep our rates higher, while our bank rate has to be raised above that of the United States. Admittedly the bank rate has only a slight connection perhaps with the general level of interest rates. I notice that Mr. Coleman of the Royal Bank suggested that the reason they raised their

prime rates resulted primarily from the boost in the Bank of Canada discount rate two weeks ago to 6 per cent from 5 per cent.

I also find, Mr. Speaker, that many of the world bank rates as at November 21, 1967 were very much lower than ours, and ours are very much lower than those in the United States. On November 19, 1967 the United States rate was set at 4.5 per cent, 1½ per cent below ours, which seems to me a very wide margin for the attraction of capital into this country, and for which I have some grave doubts about the degree of necessity the minister is forever presenting to us.

The other part of the minister's problem is to be found in the rising price index and rising unemployment levels. Although he told us today that he understood that this particular inflationary situation was not a demand inflationary situation—

Mr. Sharp: I said that consistently.

Mr. Cameron (Nanaimo-Cowichan-The Islands): —on the other hand, everything that he and his revenue minister have done and presented to the house during the last two days must be predicated, if it is to have any sense at all, upon the analysis that this is a demand type of inflation. I say this because the measures he has introduced are designed to cut down on consumption, first of all by the surtax on personal income, which admittedly though not all that serious does have some effect, but even more importantly, by the deliberate invitation to rising unemployment.

How the minister can square that with his suggestion this afternoon that he understands this is a cost-push type of inflation is beyond me. Of course he finds it rather difficult to deal with a cost-push type of inflation; he is not prepared. He is not prepared to intervene in the economy to the degree obviously called for at the present time. He has taken no action that I know of—certainly it has not been reported to us and not reported in the papers—to persuade, if that is the right word, the Noranda corporation to reduce their price from the 4 per cent increase. He has made no attempt as far as I have been told to deal with the price increase proposed by INCO the other day.

In the *Globe and Mail* this morning there appeared a rather disturbing report from the United States concerning similar types of price increases that had taken place in that country. I read from an article which appeared in that paper this morning:

> The latest round of U.S. steel prices increases spread yesterday as three major manufacturers raised prices on a wide range of products.
>
> Jones and Laughlin Steel Corp. raised its base price for cold rolled sheet and strip and galvanized sheet by $5 a ton, and hot rolled sheet and strip by $4 a ton, effective Dec. 15.

Apparently the National Steel Corporation has done the same thing, in increasing its price by $5 per ton. Pittsburgh Steel Company also increased its price by $5 a ton. Other price increases were also mentioned. In polyethylene, natural general purpose resins were raised 1 cent a pound by Union Carbide Corporation, effective January 1. Chromic acid was raised $2 a hundred pounds by Allied Chemical Corporation, effective immediately. Electrical conduit was raised an average of 5 per cent by Thomas and Betts effective January 15. Nylon carpeting, folding cartons and vinyl flooring prices were also raised. They are all going up in conjunction with the rise in the basic price of steel in the United States.

I suggest that if the minister really believes and understands that the problem is that of a cost-push type of inflation, then he has to take some action in this field. He has to exercise the sovereign power of government to deal with this situation. He will tell me of course that constitutionally he is unable to proceed in this area. Technically he is correct, but I cannot believe that the Minister of Finance of Canada would be unable to persuade a provincial government to exercise its constitutional power to curb prices that may affect a whole range of commodities in that province and the rest of Canada. Certainly a well publicized appeal over the head of any recalcitrant provincial government to the people of that province will, I am sure, bring a quick response from the government of the province.

• (4:40 p.m.)

The minister is not prepared to take action like that because he does not consider that that is really the role of government. He has the typical, doctrinaire attitude of the Liberals, that the less government interferes in the economy, the better it is for all concerned. As a consequence the few are benefited by this lack of policy, and the vast bulk of the Canadian population must suffer.

Much has been said about the so-called requirements with respect to the inflow of United States capital. I wish to say a few

words about something that is much more dangerous to our economy than the much touted danger of United States ownership of certain Canadian enterprises; I am speaking of the manner in which Canadian governments—this government and past governments—have tied us to the United States market, with respect to raw materials and semi-manufactured goods. That has obviously been done through a deliberate policy, because special concessions have been granted to enterprises which operate in the extractive industrial field.

I had this confirmed not long ago at a committee meeting when I asked the minister's colleague, the Minister of Trade and Commerce (Mr. Winters), some questions about the export of nickel. At that time I had been getting complaints, since domestic users of nickel had had their supplies cut back to the level of the previous year or had had their supplies held at the previous year's level. At the same time, our nickel exports to the United States were climbing steadily. I asked the Minister of Trade and Commerce if he had ever considered taking steps to ensure that domestic requirements were met first; he could do that perhaps by setting export quotas or by having the government stockpile sufficient nickel to meet domestic needs. I was told that, no, the government would not do that; but it would consider the drastic, revolutionary and dangerous step of possibly putting controls on the export of scrap nickel. As a matter of fact, I have not heard that that step has been taken so far.

I asked the minister another question. I asked him if he did not consider that the first responsibility of the government of Canada should be the development of the Canadian economy. I drew an equivocal answer from the minister. He said that that was one of the government's responsibilities, but that we had to pay attention to our export trade.

Mr. Sharp: That is correct.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Apparently, we have to pay more attention to our export trade than to our domestic economy. Let us ask ourselves some basic questions. What is the purpose of export trade, if it is not to build up the economy of the exporting country?

Mr. Sharp: Exactly.

Mr. Cameron (Nanaimo-Cowichan-The Islands): And when we have, as we have had in the past, vast allocations of imported capital developing raw materials and semi-manufactured materials for shipment to the United States industrial economy, I suggest that we are doing very little in the way of building our own economy and establishing Canada as a viable, national economic unit.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

I was interested to hear the Minister of Finance compare the situation that Canada finds itself in with the situations that face Great Britain and the United States. Indeed his comparison struck me as strange. Here we have a country which lacks the desperate problems of Great Britain. I am sure he will agree with me that, potentially, we are in a much more fortunate position than the people of Great Britain. Great Britain has no resources and has an inflated population. We have a small but adequate population, and we have probably a greater amount of natural resources per capita than any country of the world.

Mr. Sharp: And a Liberal government.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Yes, that's the trouble; that's the one liability that we have. We have all this on the credit side, but on the debit side we have a Liberal government.

Mr. Knowles: He put us into the red.

Mr. Cameron (Nanaimo-Cowichan-The Islands): The United States is fighting a desperate war in Asia, and it has internal turmoil. They have problems that this government need not face and it is impudent for the minister to suggest that the problems which this government faces are commensurate with the difficulties of Great Britain or the United States.

What sort of policy ought to be followed if we are to build Canada into the viable national economic unit that we all wish it to develop into? My first suggestion is this: The minister should free the exchange rate. He will find, and I can give him a long list of eminent economists in Canada who support this proposition—

The Acting Speaker (Mr. Tardif): Order, please. I must advise the hon. member that his allotted time has expired.

An hon. Member: Let him finish.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, at this stage of the budget debate it is my lot, first, to examine the budget record of this government since it came to power and, second, to discuss the

effects of this government's budgets on Canada and its people. Finally, while I recognize that the primary task of a responsible opposition is to oppose, I wish to outline some remedies that I think will in future prevent the mess that our country finds itself in today.

When members of this government sat on the opposition side they advanced economic argument after economic argument. Literally, they ground out speeches from their offices on the fourth floor. They said: When we come to power, we shall have all kinds of planning—indicative planning and classical planning. They also said: We shall introduce a kind of master, five year budget, the sort that we see in France. And we were told there would be interim, annual budgets to straighten out minor problems. But the five year budget would be introduced to gain the confidence of all segments of the Canadian population.

The fact is that we have no stability in this country; we have not had any budgetary planning; in fact, we have not had planning of any kind. Not only members of the N.D.P., who are enthusiastic about the mystique of planning, advocate planning. I say that the economic mess this country is in today has been brought about through lack of planning.

Mr. Caouette: Two budgets a year.

Mr. Grafftey: I think it is three.

Mr. Caouette: There will be one every week, next year.

Mr. Grafftey: The Prime Minister has lunged from one extreme to the other in his approaches to the problem. Let us consider the first minister of finance of this administration, Mr. Speaker. He was the daring innovator, the experimenter par excellence. He rushed in where angels feared to tread. In many ways one had to admire the guts of this emancipated gladiator in flight, who was often emancipated from any consideration of the lessons of the past.

What did that minister of finance do? He advanced; he withdrew; the rule book was thrown into the grandstand and he became the first of many promising rookies to be benched by a dumbfounded and confused coach. The coach finally lost confidence in this kind of "be damned with the past" philosophy, only to adopt an equally invalid approach.

• (4:50 p.m.)

At a time when modern economic, monetary and fiscal problems demanded imaginative and daring leadership he opted for an approach perhaps suited the problems of the 'fifties but woefully inadequate to meet the challenge of the 'sixties and 'seventies; he opted for the darling of the mandarin establishment, the present stand pat status technician, who likes nothing better than to keep the pot boiling with three budgets per annum.

As Alice in Wonderland observed: "It is dreadfully confusing to play croquet when there are no rules." To quote again from Lewis Carroll:

> The players all played at once without waiting for turns, quarrelling all the while and fighting for the hedgehogs, and in a very short time the queen was in a furious passion.

There is no doubt about the confusion and the furious passion created by this budget, and there is no doubt that this is a wonderland. We have sat here on the opposition benches in great wonderment, watching first of all the hedgehog activity of the government when it first took office, bringing out a budget and then withdrawing it. Now, we watch while another player wants to take three turns in a row and bring down three budgets in one year. While it may be wonderful, it is still dreadfully confusing and there are still no rules—and there will not be any rules until we have a change of government. Three factors have helped to create the mess this country is in today—the lack of short term or long term planning on the part of the government; its refusal as mentioned by our leader, to plan federal priorities and priorities with the provinces, and its appalling record of confusion in bringing down budgets.

What about the effect on Canada and on the Canadian people? What is the situation in our country today? By its ill-conceived fiscal economic and monetary management the government has destroyed its options of manoeuvre—options which are necessary if we are to face the present economic situation. This has been said before, but it must be said time and time again, because it is of the essence in the decision making functions of cabinet government.

Second, we are faced with rampant inflation involving an unprecedented increase in the cost of living. Interest rates are at record heights. Exports are dwindling. Though the Dominion Bureau of Statistics reports that

employment figures are remaining stable, the increase in unemployment is entirely unacceptable. Let no ministers of the crown quote statistics to those Canadians who are looking for work. Statistics never took the place of a job or filled a lunch pail. Though the d.b.s. figures show employment as stable, unemployment is rising steadily. The present Secretary of State for External Affairs (Mr. Martin) used to remind us of this when we were in office, and as long as this government lasts we intend to make it live up to its responsibilities in this key area.

This is not all. We are facing a national housing crisis which would be considered a disgrace in any civilized nation state; especially is it a disgrace in a nation state such as Canada which claims to have the second highest standard of living in the world.

Mr. Deachman: The angels are against you. That is a sneaky way to win a debate.

Mr. Deputy Speaker: The Chair recognizes the force of the competition but perhaps the hon. member will continue.

Mr. Grafftey: I am not bothered by the noise. It is not nearly as confusing as the cackles I hear from time to time from hon. members opposite. I am perfectly at ease and I am willing to go on until five o'clock.

While this country is facing an unprecedented housing crisis as a result of which so many people are unable to find a decent home or keep a roof over the heads of their families, the minister is still on the point of calling another conference. Mr. Speaker, Canadians are recognizing that conferences never have taken the place of concrete action to bring about results, and never will.

Whether the government is talking about current estimates or projected estimates, when we are confronted with a sudden cut in those estimates of $1 billion I can only say: "What a way to run a country." Maybe that is a common, vernacular expression. But all I can say is: "What a way to run a country."—finding all of a sudden that one has to do this sort of thing.

I know that governments cannot always be run like business concerns, but can we not expect a modicum of business management in the day to day affairs of administration? What a disgrace. No wonder people are losing confidence in this government and public institutions, when they see such a spectacle, one which makes us the laughing-stock not only of our own people but of nations abroad.

[Mr. Grafftey.]

Mr. Barnett: You sound like a Liberal, talking as you would have talked when you were parliamentary secretary to the minister of finance.

Mr. Grafftey: I realize that the hon. member, who has no real expectancy of gaining power, can be very free in his statements.

Budgets are intended to create stability and are expected to do so. The two ministers of finance who have spoken for the administration on the floor of the House of Commons have succeeded only in creating an atmosphere of confusion and havoc.

Mr. Speaker, may I call it five o'clock and adjourn the debate?

Mr. Churchill: May I rise on a point of order and draw the attention of the Chair to the fact that during the debate this afternoon some of the speakers taking part have been interrupted by noises off-stage. There have been comments about noise. The noise was not in the chamber itself. It was due, and I think *Hansard* should record this, to the centenary Christmas celebration outside on behalf of the children.

Mr. Deachman: I concur with the remarks of the hon. gentleman who has just spoken. The noise is from the concluding celebration of the greatest year in Canada's history.

Some hon. Members: Hear, hear.

Mr. Churchill: Under the poorest government that we have known.

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Mr. Monteith: Before we go into private members hour, Mr. Speaker, may I ask the Minister of Finance if he proposes to continue with the budget debate next week, until its completion?

Mr. Sharp: Yes, Mr. Speaker, that is my understanding.

An hon. Member: Throughout the whole week?

Mr. Sharp: Just until the termination of the legal time.

The Acting Speaker (Mr. Tardif): Order. It being five o'clock the house will now proceed to the consideration of private members business as listed on today's order paper, namely public bills and private bills.

DIVORCE

MEASURE FOR DISSOLUTION AND ANNULMENT OF MARRIAGE

On the order:

Second reading of Bill No. C-6, an act to provide in Canada for the dissolution and annulment of marriage—Mr. Peters.

Mr. Peters: Mr. Speaker, the government now has a bill on the order paper which in my opinion is broader than this one, and I would like to ask for unanimous consent of the house to withdraw this bill.

The Acting Speaker (Mr. Tardif): Has the hon. member unanimous consent so that the order be discharged and the bill withdrawn?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

NATURAL RESOURCES

EXPORT LICENCES FOR PRIMARY PRODUCTS

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-10, concerning the exportation of the growth and produce of Canada.

He said: Mr. Speaker, the purpose of this bill is to limit, license and regulate the exportation of our basic and primary resources. I am not going to argue that this bill is the answer to all our problems respecting the controlling of our natural resources, but it is an attempt to decide from a national point of view how best those natural resources can serve the Canadian public before we allow those resources to be exported prior to their use in secondary industry.

I am sure hon. members are aware of the arguments in Ontario years ago when it was decided, by an act of the provincial legislature, to limit the export of pulp products from Ontario. The result was the building of pulp and paper mills throughout the area in which pulp is produced. Many new communities were built and employment provided in secondary industry connected with pulp and paper. Wages in these areas are now higher than in many other primary product industries. This is an indication that, given a little direction, secondary industry can be developed. Obviously books cannot be printed in these areas. It is not possible to have all our newspapers printed in them, but it is possible to develop other secondary industry in these areas, and these secondary industries will support new towns in perpetuity.

For years I have been interested in discussions that have taken place concerning the export of our oil and petroleum products, which hold a great potential for secondary industry. No other basic resource has such potential for secondary industry as petroleum has. The number of things that can be produced from it is almost unlimited. It has been said that eventually the world's population could depend on petroleum products for all its clothing, food and other necessities of life. Under the provisions of this bill these by-products could be developed in Canada.

I have a particular interest in Timiskaming and other northern communities where a new industry has recently developed following upon the gold and silver mining industry. These areas contain a number of iron ore deposits, and the mines operating them are fairly large. There is one just south of Kirkland Lake, owned by the Jones and Loughlin Company, which is producing pellets that are exported to the United States. It is to be joined shortly with another large venture in the Timagami area, and this company will be selling its iron to the Stelco plant at Hamilton. In addition there are six or seven other areas that contain large iron ore deposits, and eventually the Belcher island deposits will also become economic to work.

The Canadian people really own these natural resources and they are the ones who should get the benefit from this great wealth and its great potential. They should be able to develop secondary industry from these resources, and these secondary industries could provide more employment than the actual mines provide.

If it were decided that this ore could not leave northern Ontario in its natural state, this would mean the establishment of facilities to produce pig iron. It is generally conceded by people in the iron industry that the expenditure involved in producing pig iron is so great that it is economic to go further and produce steel. If that were to happen, secondary industry producing fabricated products would become inevitable, and this in turn would lead to ancillary industries. This would mean that instead of a mine providing employment for 300 people, some 3,000 people could be employed in secondary industry developed by use of the mine resources.

The purpose of this bill is to restrict the sale abroad of our primary products, and to license and regulate the export of those products, having in mind their potential value to

Canada through the development of secondary industry.

Exploitation is becoming a common word in the Canadian vocabulary, but I believe that regulations such as are proposed in this bill would assist not only northern Ontario but also northern Quebec and all other northern areas where primary products are produced. Such regulation would be in the interests of everyone.

• (5:10 p.m.)

I have been interested in this word "exploitation". When I went to school I always had the opinion that if reference were made to the exploitation of someone or something it meant that advantage was being taken of someone or something. "Exploitation" was always a dirty word. Yet, in our northern area we find people using the word "exploitation" as an exchange word for "exploration". There seems to be no particular adverse connotation in the word "exploitation". It seems to be a way of life so far as the Canadian public is concerned.

I believe most members who are concerned with this matter will agree that we should limit the exploitation of our natural resources, keeping in mind the potential each of these resources has in secondary industry, and that they will support this bill. I would be the first to admit that there are fields in which the secondary development of the primary product will be difficult and will take some period of time. I am sure that the regulations which would surround such a bill would take this into consideration. This bill was not presented in the expectation that it would pass. However, I think it will allow the members of the house and the people in the country at large an opportunity to consider a matter which has been of great concern to all who live in the primary producing areas, who see their natural resources being taken out of the area and in some cases taken out of the country as a whole before any manufacturing takes place or before any secondary industrial development is undertaken.

I believe that if a bill in this or in another form should receive the support of the house the transition which would take place in the newly developing areas of Canada would provide many Canadians with an opportunity to reverse the trend which now takes place, where a person has to move to the major cities in order to participate in the secondary industries of our nation. It would have the effect of pushing secondary development into the areas which are so greatly in need of such development, namely the primary producing areas.

I would appreciate support and criticism of this bill, so that Canadians will be able to get secondary development in those areas where at present no secondary industry is contemplated or anticipated.

[*Translation*]

Mr. Guy LeBlanc (Rimouski): Mr. Speaker in theory, the purposes of Bill No. C-10, are to limit, prohibit or regulate the exportation of primary resources, therefore we can only be in favour in principle of the passing of this bill.

If in a country as rich as Canada, with regard to natural resources, we could process completely our primary products and export them abroad, once we have met our domestic needs, obviously, it would be the ideal solution.

I think that everybody agrees with me that Canada is a great country. But a distinction must be made. It is a country of a tremendous size, very rich in natural resources, but if we compare the small density of its population, still growing over the years, with that of several European countries, smaller in size we can only come to the conclusion that Canada is a small country, which cannot use its primary resources due to its limited population.

Whence the need to satisfy our foreign customers and often to supply them with raw materials which we are unable to use or process ourselves, due to the lack of facilities.

The sponsor of this bill has forgotten, I think, that in a practical sense and under present circumstances, the aims of his bill are achieved.

In the province of Quebec, at least, the law contains specific prohibitions designed to protect our natural products and resources, especially in the case of wood products, in that it is forbidden to export unfinished products.

Unfortunately, the law has not always been adhered to but, nevertheless, I think that all in all, it is being observed and we all insist on that point.

I think also that the sponsor of the bill forgot that administration and development of our natural resources come under the jurisdiction of the provinces. If we consider the facts, the purposes and the measures advocated by this bill are, in practice, already a reality in Canada.

If this bill were passed, I feel that there would be many complications detrimental to the national interest, to the interest of our fellow-citizens.

First, there is a detail which might seem of little importance, but in the bill, there is no definition of "primary porducts". There is no list, not even a brief one, of the main commodities to be considered as primary for export purpose.

In my opinion, the passing of the bill would lead to a very strict control, too strict in fact, of our farm, forest, mining and other products. That could also have detrimental effects at the primary level or, at least, at some levels of our manufacturing and production industry.

Another aspect of the bill must also be considered. Let us not forget the complications that could arise within the public service, the bureaucracy, which we sometimes criticize. I believe with reason that very harmful complications could arise with regard to the administration of the commissions and some government agencies.

Steps should be taken to make sure that the legislation as well as the provisions concerning prices and equity are complied with fully, in the interest of the country. If each case had to be studied closely, it would take a real army of civil servants and experts and that would be going too far.

I think that we must think of raising such groups, such armies in time of national emergency. It is said that comparisons are always unfair but one is needed. It happened when Canada had to raise groups of very competent and learned men during the second world war, for instance, and also when disasters struck some areas and cities in Canada.

• (5:20 p.m.)

I think that to justify the recruiting of such a group of competent civil servants, to whom rather high salaries would have to be paid, we would have to be in an emergency. Considering the present state of our economy, in spite of what some of our opponents claim, and as compared with the world economy, we can say that we have problems but that we are at a normal point on the curve.

We know that our government will take the necessary steps, as it has done to date, so that we may go up another point on the chart of our economy.

Before introducing this bill which is very short and very simple, it might have been appropriate to consider first the present legislation which provides for the existing functions which are very important for our economy, not only on the economy as a whole but in areas the hon. member for Timiskaming (Mr. Peters) has emphasized.

I note, for instance, that section 3 of the Export and Import Permits Act provides for the establishment of control lists. I quote:

> The governor in council may establish a list of goods, to be called an export control list, including therein any article, the export of which he deems it necessary to control for any of the following purposes, namely,
>
> (a) to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted therein to or made useful in the production thereof or otherwise have a strategic nature or value, will not be made available to any destination wherein their use might be detrimental to the security of Canada;
>
> (b) to implement an intergovernmental arrangement or commitment; or
>
> (c) to ensure that there is an adequate supply and distribution of such articles in Canada for defence or other needs.

As you can see, our legislation, at a certain level, already provides, to a certain point, measures to ensure our market, our home market as well as the world market in the field of primary resources but always taking into account our economic progress within the framework of normal commercial activity in our country and in the world.

With regard to fair and reasonable prices for exports and raw materials, I wish to quote subsection 2 of section 17 of the Income Tax Act:

> Where a taxpayer carrying on business in Canada has purchased anything from a person with whom he was not dealing at arm's length at a price in excess of the fair market value, the fair market value thereof shall, for the purpose of computing the taxpayer's income from the business, be deemed to have been paid or to be payable therefor.

It is obvious that the legislators have provided for economic stability not only with regard to our primary resources, but with regard to any revenue concerning the whole Canadian people.

Referring to the various duties, to the various functions which should be assigned to the group of civil servants or special agency entrusted with the application of that act, I read, under Section 4 (1) of the Tariff Board Act, as follows:

> (1) In respect of goods produced in or imported into Canada the board shall, at the request of the minister, make inquiry as to

(a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;

(b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production;

(c) the cost, efficiency and conditions of labour, including health of employees, in Canada and elsewhere;

(d) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;

(e) all conditions and factors which affect or enter into the cost of production and the price to the consumers in Canada; and

(f) generally, all the conditions affecting production, manufacture, cost and price in Canada as compared with other countries;
and report to the minister.

In addition, I should like to quote a most important provision from the act providing for the establishment of the Economic Council of Canada. To my mind, it is imperative that this section be quoted, just as the other one I quoted from the Tariff Board Act a minute ago, because if this bill were adopted, it would interfere with the status, the mandate and the activities of those two organizations which already exist and have already accomplished valuable work for Canada. So I shall quote section 9 of the Economic Council of Canada Act:

It shall be the duty of the council to advise and recommend to the minister how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canadians may share in rising living standards; and in particular it shall be the duty of the council:—

... etc. I come now to subsection (c) and I quote:

—to consider means of strengthening and improving Canada's international financial and trade position;

... From there I pass on to subsection (f) which says:

(f) to study and discuss with representatives of the industries concerned and with representatives of labour, farmers and other primary producers, and other occupational groups and organizations, what specific plans for production and investment in major industries in Canada will best contribute to a high and consistent rate of economic growth;

Apart from those two commissions which are playing a part in the field covered by this bill, apart also from the existing legislation with regard to exportation and the economic interests of the Canadian people, this bill suggests or implies the creation of new positions. As I said a while ago, it contemplates the setting up of new groups of directors or

[Mr. LeBlanc (Rimouski).]

civil employees which, as far as I am concerned and things being as they are, would rather tend to complicate matters.

According to some parts of this bill, the Tariff Board would actually indicate guide lines to the Economic Council of Canada which, according to the law, is answerable to one head only, one chief: the minister himself.

The Economic Council of Canada could very well find itself some day, following the passing of this bill, with two heads, two chiefs, a situation which would mess up things in the administrative field. Any such complications always trigger off a flight of capital, because of the expenses brought about by these complications in the administration of this country.

• (5:30 p.m.)

There is another point on which I want to insist, namely the aspect of our federal-provincial relations. In this connection, I take the liberty of referring you to section 92 of the British North America Act, a section which is often mentioned in Canada and which deals with the exclusive power of provincial legislatures. I therefore quote the preamble of that section:

In each province, the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated:

I will not refer to paragraphs 1, 2, 3 and 4 but I will quote paragraph 5:

The management and sale of public lands belonging to the province and of the timber and wood thereon.

As I said earlier, our forests are one of our main sources, if not the first, of primary products, all the more so because the products of that source are renewable. We should not forget also our international commitments. Canada has commitments in the framework of the General Agreement on Tariff and Trade, and I quote paragraph 1 of article XI of that agreement:

General Elimination of Quantitative Restrictions

1. No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

We all understand that, without neglecting Canada's essential interests, we must show some flexibility in matters of international trade. We must protect our rights in the most flexible way possible, because there are in

the world other sources of primary products, if our policy is too inflexible, large international companies, large international financial corporations and other countries will buy somewhere else. Admittedly, Canada needs foreign capital. I think that if our policy is not flexible enough, the same thing will happen with regard to those useful exchanges of capital with Canada.

I shall say in conclusion that this policy, which on the whole is a policy of restraint on the exports of our primary products, is a negative policy. In my opinion, Canada has followed in this field a positive policy to which we should continue to adhere. It is with a positive policy that we can develop our industrial methods as well as our engineering potential, while increasing the capital which will help us compete with foreign countries. That same policy will also make our development possible so that we might increase our delivery of finished products on foreign markets. That is what I call a positive policy.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the member who just resumed his seat said, at the beginning of his remarks, that he approved the principle of Bill No. C-10 and then spoke at length about the economic consequences which this bill could have on our international trade, on Canada's exports.

The hon. member for Rimouski (Mr. LeBlanc) said that the present situation and the economy in general are getting the necessary attention. However, I wonder whether the creation of secondary industries in Canada would not help, for instance, to solve the difficult problem of unemployment. The recent fiscal legislation brought that home clearly; the number of unemployed will increase further.

If our primary products were processed by the secondary industry, it seems to me that would create jobs; it would also increase our exports considerably.

That is certainly a worthwhile bill because it would ask the government or the tariff board to consider our needs. First of all it wants our primary products to be used as much as possible by the creation of secondary industries, and thus to develop our potential to the full.

That is more or less an invitation to the companies, the investors to set up or create secondary industries in Canada.

The hon. member for Timiskaming (Mr. Peters) talks about the huge potential of northeastern Ontario, but I must tell him that the same potential is still to be found in northwestern Quebec.

For instance, we have great quantities of iron in Canada. There is also iron in northern Ontario. These mines could produce enough to supply the steel mills in Ontario, Quebec or even in other Canadian provinces. But instead of using these primary products, of developing and processing them in Canada, we prefer to export them in other countries which make them into finished products before they return them to us.

For instance, I remember that during the 1956 provincial election, Mr. Speaker. I was a Liberal candidate and that Mr. Georges Lapalme was precisely talking of these primary products and of operating iron mines in northern Quebec, in the district of Ungava. He stated publicly then: When we are in office, the Iron Ore Company, Jules Timmins and others will come and beg us to renew their charter or their purchase contract for Ungava primary products. Mr. Lapalme said that in 1956.

• (5:40 p.m.)

Four years later, in 1960, Mr. Lesage—a friend of the member for Rimouski—and his government came to power and that was when the government renewed the sales contract with the United States or the Iron Ore Co. on the same terms, for a 40-year period. This agreement was signed in 1961 by the Liberal government of Quebec.

Our natural resources are squandered and then we are told that we must accept restrictions and legislation which make us weaker instead of making us grow and develop. The development of our natural resources demands first that we produce raw material; and if we export these primary products to other countries so that they can finish them before they send them back to us, we are bound to be the losers.

We could insure maximum processing of our primary products in order to export finished goods abroad. For instance, in respect to the forest industry, which was mentioned a few moments ago, we could quite easily export large quantities of our pulp and its by-products, our veneers and plywoods, and all kinds of manufactured articles to the United States. However, we still export these commodities as primary products, and in return we receive finished goods from the United States.

In respect to the steel industry, the situation is worse. We export our steel as raw material to the United States, where it is

processed in their steel plants and sent back here as end products. Thus, American workers benefit from this situation, while we, Canadians, remain hewers of wood and carriers of water. We do not process our products, and we are led to believe that our population is not large enough, that our country is too small, that we lack, perhaps, the required skills to develop our primary products or convert them into finished products.

Mr. Speaker, in my opinion this bill, even if it is not passed by the house, is a reasonable and logical measure which invites the present or any future government to put Canadian interests before those of foreign countries.

This does not mean that we object to exports, far from it. It means that we could export finished products instead of raw materials.

In my opinion, this could apply to many raw materials. I mentioned iron, but there is also copper, nickel, and even oil. Indeed, oil can be transformed into thousands of secondary products. Canada has all these raw materials, Mr. Speaker. Processing plants are what we lack. Those who are ready to invest and who invest now in certain areas in the United States or elsewhere in the world, whether in Japan, or in Europe, could, if invited by an aggressive government, invest here in Canada to create secondary industries and improve our employment level and the standard of living of our Canadian people.

It seems to me that it is perfectly consistent. The bill states clearly that there is no question of stopping exports of primary products completely, but to make maximum use of our primary products to process them, to treat them here and to finish them. If we have a surplus, nothing prevents us from exporting. Quite the opposite, we are ready to export.

Today, we are flying in the face of common sense: first we export, then we realize that we might run out of primary products to create secondary industries.

Mr. Speaker, I do not intend to take any more time of the house. The bill will probably be buried; it does not alter the fact that my principles are right, well founded and likely to help the establishment by Canadians of secondary industries in our country, from coast to coast.

I believe that bills like this one should be examined objectively, seriously and applied in the fullest possible measure.

[Mr. Caouette.]

I know the bill is not perfect. No bill is ever perfect regardless of the subject it deals with. There will always be flaws because bills are prepared by men and not by angels. But, goodwill should always be present, the willingness to consider such bills that will enable us to develop our resources and serve the best interests of the Canadian nation.

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

Mr. Caouette: Of course.

Mr. Blouin: A moment ago, I refrained from interrupting the hon. member, whose speech I followed carefully, but I should like to know what he means by "finished products", since he mentioned the iron ore from the north shore. Is he aware that nowadays iron ore is treated in the form of concentrates and pellets?

Mr. Caouette: With regard to iron smelting, I think of rolling mill sheets and panels which could be sold on the United States market, for instance, to the automobile industry. As concerns pellets, of which I am well aware, since some are made out of scrap metal in Rouyn, I know that we sell them to the Noranda mine, for its own use.

In other fields, instead of exporting iron in its original state to the United States, we could first transform it into steel. Once turned into steel, they could use it for the manufacture of electrical devices, etc. That is what I mean when I am talking of finished or improved products at least compared to those we presently have.

Mr. Blouin: I believe there is already some improvement in that respect. The iron ore is being turned into ingots and then into pellets. It is at least half transformed.

Mr. Caouette: But it is not steel yet. It must be made into pig iron.

Mr. Blouin: I agree there could be further improvement in that respect.

• (5:50 p.m.)

[*English*]

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, first of all I should like to express my congratulations on the return of the hon. member for Timiskaming (Mr. Peters). I understand he had a severe illness for some time and it is a pleasure to see him once more in the house.

I also appreciate his bringing this bill forward at this time. Perhaps those of us who

come from the northern parts of Canada have somewhat dominated the debate today, but there is ample reason for this. As the hon. member for Timiskaming pointed out in his opening statement, the meaning of the word "exploitation" has changed. He gave the proper definition of the word in a dictionary sense.

It does not matter who exploits you in the north, Mr. Speaker: It still hurts. United States capital is as bad in its own way as capital emanating from Montreal and Toronto. It still means that we in the north have insufficient control over what is going on in the area and we, the population in that area, feel just as exploited as do the natural resources—if they could be said to have feeling—that are being extracted from the north by various companies.

The problem is that we feel to some extent isolated from the mainstream of Canadian society and without the proper assistance of various provincial governments we do not see any great opportunity for an improvement in this condition. One of the difficulties that we in northern Ontario and northern Quebec face is that most of the members in the two legislatures now come from urban areas. When our legislatures were controlled by rural legislators they had very little interest in a progressive or active form of government. Now we have moved into the second half of the twentieth century and the emphasis is the other way. The problems to be solved by the provincial legislatures, and by this one too I may say, are those based on urban development, and we in the northern areas, the exploited areas, if I may use that term, still have no feeling of properly belonging to Canadian society.

In many cases, Mr. Speaker, what we have to do when we discuss problems of this type at constitutional conferences—and these are things we shall have to take into consideration—is to break up the large sized empires that now pass for provinces. I think the time has now come when the problems involved in governing society, which are based on rural enterprises and on urban enterprises, can no longer be reconciled in the same cabinet or legislature. We have to split them apart. It might be necessary to look at the United States model and split areas that have something in common with each other into smaller parts, instead of attempting to combine them into wholes.

To carry the idea further, the new provinces which might be formed, to deal with the problems outlined by the hon. member for Timiskaming, should be regionally based. For example one would not consider throwing the whole of northern and northwestern Ontario into one gigantic province. This would leave us in the same position we are in now. Perhaps what we should consider doing is to chop off northwestern Ontario as one separate unit, with the northeastern part and perhaps part of the northern Quebec section abutting being considered another province. In any case, problems in the north are reaching the point where the people are seething with a great deal of unrest because their needs are not being met. It is not so much a question of representation as one of limited resources, because the two large empires that pass for provinces insist on spending money on urban development. God knows how much we here see the problems of the urban areas, and recognize them, but we are also here to fight for our own areas. Our provincial colleagues are faced with the same problem. Attention is not given to the north because of the framework of political power in a particular province.

The bill introduced by the hon. member for Timiskaming is an indication of the type of problem that exists. He dealt almost exclusively with the difficulties in the north, the feeling of exploitation that we in the north have, and the lack of opportunity to make our contribution as we see it to Canadian society as a whole.

The programs that have been developed both by the federal government and the provincial governments to assist the north are not adequate. It is quite true, as the hon. member for Nanaimo-Cowichan the Islands (Mr. Cameron) has complained, that the mining companies and oil companies have been specially protected by the federal government. And indeed they were, Mr. Speaker, because that was the design of the particular subsidies when they were first introduced. It may be quite right to remove the special subsidies paid to these companies.

On the other hand, Mr. Speaker, coming as I do from the north, and mining being one of our few native industries, probably the only major one, I suggest this question should be looked at very carefully. Because capital of this type is very nervous and other mineral deposits are awaiting exploitation in other parts. We would not mind giving up this subsidy if there was something to take its place, but it is a question of our fighting for

the survival of the area in the best way we can. Until the federal government and the province of Ontario look at the problems of the northern areas in a more sympathetic light, we will have to take the position of blocking what otherwise might be desirable legislative moves on the part of governments.

Mr. Deputy Speaker: Order. The hour for the consideration of private members' business has expired. It being six o'clock, this house stands adjourned until 2.30 o'clock on the afternoon of Monday next.

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

HOUSE OF COMMONS

Monday, December 11, 1967

The house met at 2.30 p.m.

PROCEDURE

First, second and third reports of special committee on procedure—Mr. MacEachen.

[*Note: For text of above reports see today's Votes and Proceedings.*]

• (2:40 p.m.)

TRADE

REPORT BY MINISTER ON RETURN FROM EUROPE

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I have just returned from western Europe where I attended ministerial meetings of the General Agreement on Tariffs and Trade in Geneva and the Organization for Economic Co-operation and Development in Paris. In addition I had talks with British ministers in London and visited Brussels, the seat of the European Economic Community, and the capitals of the four Scandinavian countries, Sweden, Norway, Denmark and Finland.

I beg leave, Mr. Speaker, to table the communiqué of the GATT meeting in Geneva held November 22 to November 24.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Winters: Mr. Speaker, Canada was among the leaders at this meeting in calling for a continued and sustained effort by all countries participating in the GATT toward further reduction and removal of barriers to trade. The conference reaffirmed the primary GATT objective of trade liberalization. In the light of the recent successful conclusion of the Kennedy round it was recognized that no new major and comprehensive trade negotiation could be expected in the near future. It was agreed, however, to proceed to prepare for further advance and a full work program for this purpose has been established.

Canada advocated trade liberalization covering both tariff and non-tariff barriers, including negotiations for freer trade in a number of important industrial sectors. On behalf of the government I urged duty free treatment for primary industrial commodities and the elimination of nuisance duties. While noting the special factors affecting production and trade in agricultural products, I indicated this sector too should be the object of further trade liberalization. I called for a comprehensive program to improve the trading opportunities of the developing countries. Canada also suggested a new look at the possibilities for improved arrangements for east-west trade on a case by case basis.

Although the communiqué is in the general language characteristic of international meetings with representation from a large number of countries, I can assure hon. members that all of Canada's recommendations are reflected in it. Accordingly it constitutes a substantial step forward.

I also wish to table, Mr. Speaker, the text of the press communiqué agreed at the conclusion of the meeting of ministers of the Organization for Economic Co-operation and Development held in Paris November 30 to December 1.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Winters: At this meeting the delegation had the benefit of the able assistance of the hon. member for Rosedale, the parliamentary secretary to the Secretary of State for External Affairs (Mr. Macdonald).

The main issue was how to assist the developing countries to increase both their present and potential trade. The O.E.C.D. endorsed at the meeting a certain number of considerations relating to a possible generalized system of temporary trade preferences for the developing countries. These considerations will be presented in February in New Delhi at the second meeting of the United Nations conference for trade and development and will form the basis of a common approach by the developed countries at that meeting.

The details of any preferential arrangement remain to be worked out. I indicated the kinds of conditions and reservations which in our view would need to be observed in developing any such arrangement. I said that Canada's final position with respect to the suggested preferential system would

depend on the actual arrangements to be developed at the UNCTAD and later negotiating meetings.

The four Scandinavian countries represent an important and active group of markets for Canadian exports. It will be recalled that they negotiated collectively in the Kennedy round and participated together in one pavilion at Expo '67. I am convinced that there are important trading and investment opportunities open to Canadian exporters who are prepared to show initiative and energy in developing sales to these affluent and highly competitive markets. Similarly, these countries are looking for a continuation of their growing exports to Canada.

I am instructing the Department of Trade and Commerce to place increased emphasis on the development of the great potential which I am sure exists for Canadian exports to Scandinavia. Relations between Canada and each of these four countries are warm and friendly. Many factors give us a great community of interest and a healthy flow of valued immigrants to our country. These ties are worth the efforts we expend toward their maintenance and strengthening.

The meetings of the GATT and O.E.C.D. in many ways complemented each other. Taken together they constituted major progress in reaching a consensus among member countries about what the next steps should be in trade policy generally, and more particularly the application to the advancement of the developing countries, for whom it was unanimously agreed much more will have to be done.

Hon. George Hees (Northumberland): Mr. Speaker, on behalf of the official opposition may I welcome the minister back from his extended trip during which he attended important conferences on behalf of the government. We are glad to hear that once again he has urged that serious consideration be given to developing free trade in primary industrial products and that everything possible be done in world trade to eliminate nuisance duties. We are also interested to hear of his new initiatives in attempting to develop additional trade with the Scandinavian countries. The minister has had an excellent opportunity to sell more Canadian products abroad.

I hope that some time soon the minister will divulge to the house any successes he has had, or any efforts he has made, with regard to obtaining additional markets for Canadian wheat. Our wheat sales have fallen off seriously this year, and we realize how important it is to maintain the sales of this important commodity.

Mr. David Lewis (York South): Mr. Speaker, may I join in welcoming the return of the Minister of Trade and Commerce from his extended trip. In his statement the minister spoke of the general language in which the communiqué was framed and said such language was characteristic of such communiqués. I hope the minister will not mind my saying this, but the same remark could be made about the statement he made. It is in very general language indeed, and does not indicate to us any precise conclusions which may have been arrived at or any precise considerations and problems that were raised.

Naturally everyone in this house is happy to hear that further steps will be taken to liberalize trade, and everyone is happy to hear that the minister is making efforts to increase our trade with the Scandinavian countries and the countries of eastern Europe. Nevertheless I hoped particularly that the minister might say something more concrete with regard to trade with developing countries. As the minister knows, 66 delegations from developing countries met some months ago in Algiers and adopted what is known as the Algiers manifesto. In that manifesto the problems of the developing countries and their needs are carefully and strongly stated.

It is impossible, from what the minister has told us, to comment about conclusions that were reached. I merely emphasize that increasing trade with the developing countries is one of the major needs of our world today. I hope that the developed countries at UNCTAD, in New Delhi next February, will adopt a common position, as the minister's statement says will be the case, and that in their common position the developed countries will determine to be of real assistance to developing countries, instead of being too narrow.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I do not think the minister's statement surprises anyone, because it is the continuation of economic procedures followed in the past both by the Conservative government and by the present administration.

It is understood that Canada must increase its exports, but it must be kept in mind, as

the minister mentioned in his statement, that the representatives of the countries he met seek to promote their export trade to our country. It is obvious that in trying to increase their exports, Canada and those other countries aim to strike a favourable trade balance.

Accompanied by a delegation, the hon. minister visited countries which might possibly buy our excess production. It would have been far easier for him, had he wanted to give himself the trouble, to start with visiting the underdeveloped areas of Canada where he would have found elements capable of absorbing part of our production. Indeed, the domestic market is a neglected market.

Just when the minister goes to Europe to broaden the scope of our exports, and even our imports, restrictions are being imposed on the Canadian people. This is absolutely contrary to common sense. Just when unemployment is increasing in Canada, and in the province of Quebec in particular—55 per cent of the unemployed are found in the city of Montreal—the minister is trying to dispose of our Canadian production. Those are the areas which should benefit from the efficient assistance of the hon. member for Rosedale (Mr. Macdonald), who knows such districts, for there are some in Toronto itself.

So, I do not object to the fact that Canada increases its exports abroad, but the minister should first find a way to distribute our Canadian production on our domestic markets to meet the needs of the Canadian people, then he could consider exporting goods to help the underdeveloped countries throughout the world.

• (2:50 p.m.)

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): We welcome the minister back and congratulate him on his efforts abroad to bolster the results of the Kennedy round, results which I believe will generally be favourable to Canada.

Moving on to the next stage in the very general statement we have been given this afternoon, one finds cause for concern. For example, we are told that means will be found to assist the developing countries to increase their trade and that this is to be done through a system of temporary trade preferences. The minister mentioned the importance of these arrangements being worked out on a mutually acceptable basis among the developing countries. I would point out that our experience in connection with the wheat agreement, when we saw what one developed country can do to another in this regard, has made us all the more concerned that future agreements among the developed countries should be on a mutual basis.

We trust that methods of increasing trade with the developing countries, which depend largely upon primary production, should not be paid for at the expense of any single segment of the Canadian economy. The minister and the government must be fully aware of the mood which prevails within Canadian agriculture today, and though I am sure we would all agree on the importance of doing our utmost to increase trade with the developing countries, the cost of such an increase must be borne by every section of the economy, not by one particular group of people in this country.

FOOD AND DRUGS ACT

AMENDMENTS RESPECTING DRUG POSSESSION, TRAFFICKING, ETC.

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved the first reading of Bill No. S-21 (from the Senate), to amend the Food and Drugs Act.

Motion agreed to and bill read the first time.

FINANCE

LEGISLATIVE AMENDMENTS RESPECTING COMPOSITION OF COINS

Hon. Mitchell Sharp (Minister of Finance) moved the first reading of Bill No. S-23 (from the Senate), to amend the Currency, Mint and Exchange Fund Act and the Criminal Code.

Motion agreed to and bill read the first time.

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING CALENDAR, FINANCIAL AND PREMIUM YEARS

Hon. Mitchell Sharp (Minister of Finance) moved the first reading of Bill No. S-24 (from the Senate), to amend the Canada Deposit Insurance Corporation Act.

Motion agreed to and bill read the first time.

Questions

NORTHERN ONTARIO PIPE LINE CROWN CORPORATION

PROVISION FOR DISSOLUTION OF CORPORATION

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources) moved the first reading of Bill No. S-29 (from the Senate), to provide for the dissolution of Northern Ontario Pipe Line Crown Corporation.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DISTRIBUTION OF RURAL DEVELOPMENT FUND

Question No. 369—**Mr. Choquette:**

1. Have any distribution criteria, by province, been set up following the creation of a $300,000,000 fund to ensure rural development within the country?

2. Will the federal government take into account, in the operation of the rural economic development fund, that a special development fund for the Atlantic provinces has been set up and that the prairie provinces have benefited from a great number of special agricultural measures, and will it ensure that the province of Quebec receives a large part of said fund?

3. Have the SIDBEC authorities asked for assistance from the rural economic development fund in order to build a steel-producing plant at Bécancour?

4. Does the federal government intend making its own feasibility study regarding a steel-producing plant which might be built at Bécancour?

5. Has the federal government held talks with the government of the province of Quebec with a view to setting up an agreement designating the Bécancour area as a special development area?

6. Is the thermo-nuclear plant under construction at Bécancour, and which is financed by the federal government, linked in some way to the project of having a steel-producing plant built in the same area?

7. To date, what are the obligations undertaken by the federal government under the Agricultural Rehabilitation and Development Act fund, and what areas will benefit from this?

8. How many requests for aid from the Agricultural Rehabilitation and Development Act fund were made to the federal government, how many were rejected, and how many were taken into consideration?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Forestry and Rural Development, Energy, Mines and Resources and Industry as follows: 1. No.

[Mr. Sharp.]

2. The fund for rural economic development does not take the place of the federal departments resources and activities. In the formulation of any plan under the Fund for Rural Economic Development Act, the already existing federal programs are taken into account and the resources of the fund are used in providing a complement when required, to the normal activities of the federal departments and agencies, some of which are already active in the western provinces and the maritime provinces. The discussions in progress with the government of Quebec should soon allow the signing of an agreement with regard to the lower St. Lawrence, Gaspé and Magdalen islands area.

3. No.

4. No.

5. No.

6. No.

7. Three federal-provincial agreements on rural development have been signed under the Fund for Rural Economic Development Act. They concern the areas of northeast New Brunswick, Mactaquac (New Brunswick) and Interlake (Manitoba). The commitments of the fund for these three areas are as follows: Northeast New Brunswick: $31,461,000; Interlake (Manitoba): $27,606,000; Mactaquac (New Brunswick): $9,433,000.

8. Studies and discussions are in progress concerning Prince Edward Island and some areas of Quebec, Nova Scotia and Newfoundland. No request has been rejected up to now.

INCREASE IN MONEY SUPPLY

Question No. 572—**Mr. Harkness:**

1. How much has the Canadian money supply increased, both in dollars and at a percentage rate, for each of the years 1963 to 1966 inclusive, and for 1967 to date?

2. What was the amount of the money supply in 1963 and what is it at the present time?

Hon. Mitchell Sharp (Minister of Finance): There is no single definition of "the money supply". It can be defined and calculated in a number of different ways depending on the purpose for which the statistics are required.

Canadian dollar deposits at chartered banks make up an important part of any money supply series but there are various categories of such deposits which have different characteristics. There are demand deposits on which no interest is paid, chequable and non-chequable personal savings deposits, notice and term

deposits held by corporations and others which have varying maturities and carry substantial interest rates and finally at the end of this spectrum, open market paper issued by the banks which is payable to bearer. These different types of claims on banks are held by various classes of holders to meet different kinds of needs. Because of this fact, different classes of deposits are relevant to the consideration of different aspects of economic and financial developments.

The trends of the various types of chartered banks' deposit liabilities are also affected by changes in the conditions and degree of competition for funds between banks and other financial institutions. Variation due to changes of this nature would be removed in money supply series defined to include not only claims on banks but also liquid claims on financial institutions such as trust and loan companies or Caisses Populaires and credit unions.

Apart from deposits and other very liquid claims denominated in Canadian dollars, Canadians also hold a considerable volume of liquid assets payable in foreign currency which from some points of view are part of money supply. The most important of these are the chartered banks' "swapped" deposits denominated in a foreign currency for which the payment at maturity in Canadian dollars is covered by a forward exchange contract and which are therefore closely equivalent to the banks' term deposits in Canadian dollars.

The following money supply measures can be calculated from data which become available on an up-to-date basis and include those measures most commonly used at the present time.

A. Coin and Bank of Canada notes in the hands of the public plus Canadian dollar demand deposits at the chartered banks.

B. As in A above, plus all other Canadian dollar deposits at the chartered banks.

C. As in B above, but excluding deposits of the government of Canada.

D. As in C above, plus "swapped" foreign currency deposits at the chartered banks.

The figures requested are given below on each of these definitions.

(Monthly averages of Wednesday figures)

	$ millions				Per cent			
	A	B	C	D	A	B	C	D
Change from:								
Dec. 1962 to Dec. 1963..	219	1,380	959	1,018	3.6	8.9	6.4	6.6
Dec. 1963 to Dec. 1964..	398	978	1,116	1,428	6.3	5.8	7.3	8.7
Dec. 1964 to Dec. 1965..	436	2,129	2,042	1,850	6.5	11.9	12.0	10.4
Dec. 1965 to Dec. 1966..	559	1,328	1,235	1,489	7.8	6.6	6.5	7.6
Dec. 1966 to Oct. 1967..	543	2,608	3,433	3,316	7.1	12.2	16.9	15.7

	$ millions			
	A	B	C	D
Absolute level in:				
Dec. 1963	6,296	16,861	15,867	16,340
Oct. 1967	8,233	23,904	23,743	24,423

Questions

CLEANING CONTRACT FOR BAGOTVILLE AIR TERMINAL

Question No. 651—**Mr. Grégoire:**

1. What are the names of all parties who submitted tenders for the cleaning services for the new air terminal at Bagotville?

2. What amount did each one submit?

3. Who was awarded the contract?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. While the majority of airport terminal buildings throughout Canada are operated by the Department of Transport, the air terminal building at Bagotville is operated by Air Canada and it is not the practice of that company to disclose the names of firms or persons submitting tenders, or information concerning proposals received. Seven firms submitted bids.

3. Peintures Saguenay of Chicoutimi.

OTTAWA—GREEN BELT PROPERTIES NOT ACQUIRED

Question No. 653—**Mr. Bell (Carleton):**

1. Are there now any properties within the greenbelt in the national capital region which have not been acquired by the National Capital Commission by purchase or expropriation with compensation paid?

2. If so, where are these properties located and who is the owner in each case?

3. In each case, what is delaying final settlement?

Hon. G. J. McIlraith (Minister of Public Works): 1. There are 34 properties to be settled in the green belt.

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2. and 3. 2(1) Each of the following properties has been expropriated and the negotiation has been referred to the Department of Justice for the filing of an information in the Exchequer Court.

Former owner	Location
Griffin, John M.	Lot 35 & pt. of Lot 36, Township of Nepean.
Est. of Dr. Herbert B. Moffatt (Silver Spring's Farm)	Pts. of Lots 14 & 15, Con. 2, O.F., Township of Nepean.
Sheahan, Clarence M.	Pt. Lot 34, Con. 3, R.F., Township of Nepean.
Marcus, Benjamin (In trust)	Pt. Lot 35, Con. 5, R.F., Township of Nepean.
Pyrofax Gas Ltd.	Pt. Lot 35, Con. 5, R.F., Township of Nepean.
H. J. McFarland Construction Co. Ltd.	Pt. Lot 34, Con. 6, R.F., Township of Nepean.
Independent Coal & Lumber Co. Ltd.	Pt. Lot 12, Con. 1, O.F., Township of Gloucester.
Levine, Isaac	Pt. Lot 17, Con. 3, O.F., Township of Gloucester.
Central Salvage Co. Ltd.	Pt. Lot 17, Con. 3, O.F., Township of Gloucester.
Cyrville Sand Co.	Pt. Lot 19, Con. 3, O.F., Township of Gloucester.
Macartney, H. Allen	Pts. Lot 16, Con. 5, O.F., Township of Gloucester.
Heafey, Leonard	Pts. Lot 20, Con. 5, O.F., Township of Gloucester.
Heron, William A.	Pt. Lot 6, Con. 3, R.F., Township of Gloucester.
Colegate, Robert G.	Pts. of Lts. 7 & 8, Con. 3, R.F., Township of Gloucester.
Dowler, Bert H.	Pt. of Lots 7 & 8, Con. 3, R.F., Township of Gloucester.
Andrews, Mrs. Rosa	Pt. Lot 7, Con. 4, R.F., Township of Gloucester.
Boyd, J. B.	Pt. Lot 9, Con. 4, R.F., Township of Gloucester.
Lefebvre, Anna	Pts. of Lot 12, Con. 4, R.F., Township of Gloucester.
Lefebvre, Guay	Pt. of N½ Lot 12, Con. 4, R.F., Township of Gloucester.

[Mr. Sharp.]

Former owner	Location
Read, John	Pt. Lot 2, Con. 6, R.F., Township of Gloucester.
Dillon, Thomas F.	Lots 1, 2, 4 to 7 incl. 10 to 21 incl., 23 to 49 incl. & 51 to 56 incl., Block A, Pt. Block "B" & Block "C", Reg. Plan 711, R.F., Township of Gloucester.
Sherman, William	Lot 8, Reg. Plan 711, R.F., Township of Gloucester.
Chenery, Albert	Lot 50, Reg. Plan 711, R.F., Township of Gloucester.

2(2) The following properties have been expropriated and are under negotiation for final settlement.

Former owner	Location
Bruce, R. A. S.	Pt. S½ Lot 34, Con. 3, R.F., Township of Nepean.
O'Connor, Walter	Pts. of Lot 9, Con. 1, O.F., Township of Gloucester.
Munro, Garnet	Pt. of Lot 19, Con. 2, & Pt. of Lot 19, Con. 3, O.F., Township of Gloucester.
Bergin, William J.	Pt. Lot 23, Con. A., R.F., Township of Nepean.
Goodfellow, Norman E. Jr.	Pt. Lot 30, Con. 3, R.F., Township of Nepean.
John J. Florence Realty	Pt. of Lots 32 & 33, Con. 5, R.F., Township of Nepean.
Cloutier, Aristide and Lorenzo	Pt. Lot 13, Con. 3, O.F., Township of Gloucester.

2(3) The following properties have been expropriated, but final settlement is delayed because the former owner or heirs have not been located.

Former owner	Location
Kustaski, Mona	Pt. Lot 27, Con. 5, R.F., Township of Nepean.
Wadsworth, John	Pt. Lot 13, Con. 3, O.F., Township of Gloucester.

2(4) The following property has been expropriated, but final settlement has been delayed pending a court decision as to the amount of compensation.

Former owner	Location
Munro, Harold	Pt. Lot 20, Con. 3, O.F., Township of Gloucester.

2(5) The following property has been expropriated, but final settlement has been delayed pending settlement of an Assignment of Bankruptcy.

Former owner	Location
Koffman Truck Rentals	Pt. Lot 19, Con. A., R.F., Township of Nepean.

2(6) In addition, there are schools, churches, and federal installations within the green belt. Some of the schools and churches were not expropriated and are acquired only as they are offered for sale by the authorities involved.

Questions

PUBLIC WORKS EXPENDITURES IN CERTAIN QUEBEC COUNTIES

Question No. 676—**Mr. Isabelle:**

1. How much money did the Department of Public Works spend in each of the counties of Gatineau, Pontiac, Hull and Labelle for various works during the last five years, and what works were involved?

2. How many tourist wharves and launching ramps were built during the last five years in each of the above counties?

[*Translation*]

Hon. G. J. McIlraith (Minister of Public Works): 1. County of Gatineau: Total expenditure, $179,603.00. Projects: Aylmer East—Addition to Post Office, repairs and maintenance. Bouchette—Construction of new Post Office, repairs and maintenance. Gracefield—Repairs and maintenance of Post Office building. Grand Remous—Construction of new Post Office and minor works. Harrington Lake—Construction of two wharves. Lac des Isles—Construction of new Post Office and minor works. Lac Ste-Marie—Construction of new Post Office and minor works. Low—Construction of new Post Office. Maniwaki—Repairs and maintenance of Post Office building. Messines—Construction of new Post Office, repairs and maintenance. Montcerf—Construction of new Post Office, repairs and maintenance. Notre-Dame du Laus—Construction of new Post Office. Notre-Dame de Pontmain—Wharf reconstruction. Val des Bois—Construction of new Post Office.

County of Pontiac: Total expenditure, $130,779.00. Projects: Campbell's Bay—Repairs and maintenance of Post Office building. Chapeau—Construction of new Post Office. Des Joachims—Construction of wharf and launching ramp. Fort Coulonge—Repairs and maintenance of Post Office building. Reconstruction of Ferry wharf. Fort William—Construction of launching ramp. Guigues—Construction of new Post Office and minor works. Lac Coulonge—Wharf reconstruction. Lorrainville—Repairs and maintenance of Post Office building. Notre-Dame du Nord—Construction of new Federal building, repairs and maintenance. Otter Lake—Construction of wharf and launching ramp. Quyon—Repairs and maintenance of Post Office building. Construction of wharf and launching ramp. Shawville—Repairs and maintenance of Post Office building. Temiskaming—Repairs and maintenance of Post Office building. Ville-Marie—Repairs and maintenance of Post Office building.

County of Hull: Total expenditure, $3,086,769.00. Projects: Anger—Construction of new Post Office and minor works. Buckingham—Alterations to Post Office building, painting, repairs and maintenance. Gatineau—Painting of Post Office building, repairs and maintenance. Hull—Animal Diseases Research Institute, alterations to incinerator and treatment tank. Canadian Government Printing Bureau, alterations for Department of National Defence Quality Assurance Branch, new Data Processing Centre. Masson—Painting of Post Office building, stone work, and minor works. Pointe-Gatineau—Construction of new Post Office building and minor works.

County of Labelle: Total expenditure, $279,746.00. Projects: Chute St-Philippe—Construction of wharf and launching ramp. Ferme-Neuve—Painting of Post Office building and maintenance. Lac Caribou—Construction of launching ramp. Lac Chaud—Construction of launching ramp. Lac Nominingue—Construction of launching ramp. Lac Ste-Marie—Construction of launching ramp. Lac Simon—Reconstruction of wharf and launching ramp. Lac St-Paul—Construction of launching ramp. Montebello—Repairs and maintenance of Post Office building. Mont-Laurier—Conversion of heating plant, painting, repairs and maintenance of Federal building. Notre-Dame de la Paix—Construction of new Post Office building and minor works. Papineauville—Construction of new Post Office building, repairs and maintenance. Plaisance—Construction of new Post Office building and minor works. Ripon—Construction of new Post Office building and minor works. St-André Avellin—Construction of new Post Office building and minor works. Ste-Anne du Lac—Construction of new Post Office building, repairs and maintenance. Reconstruction of wharf. Thurso—Repairs and maintenance of Post Office building.

2. The number of tourist wharves and launching ramps constructed in the last five years by the Department of Public Works in the following constituencies: Gatineau, 3; Pontiac, 6; Hull, Nil; Labelle, 7.

[*English*]

PENSIONS OF RETIRED CIVIL SERVANTS

Question No. 685—**Mr. Knowles:**

1. How many retired federal civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per

month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of civil servants or of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired civil servants and also the number of widows of civil servants or of retired civil servants presently residing in each province?

4. In respect of how many orphans of federal civil servants are pensions being paid and what is the average amount thereof?

Hon. Mitchell Sharp (Minister of Finance): 1 and 2. Number of retired civil servants and widows receiving superannuation allowances of amounts within each of the following brackets:

	Retired civil servants	Widows
(a) Less than $ 20.00 per month	462	1725
(b) $ 20.00 to $ 29.99 " "	1194	1994
(c) $ 30.00 to $ 39.99 " "	1899	1922
(d) $ 40.00 to $ 49.99 " "	1898	1671
(e) $ 50.00 to $ 59.99 " "	1908	1507
(f) $ 60.00 to $ 69.99 " "	1873	1365
(g) $ 70.00 to $ 79.99 " "	1735	1251
(h) $ 80.00 to $ 89.99 " "	1596	879
(i) $ 90.00 to $ 99.99 " "	1503	717
(j) $100.00 to $149.99 " "	6251	2067
(k) $150.00 to $199.99 " "	4284	545
(l) $200.00 to $249.99 " "	3070	162
(m) $250.00 to $299.99 " "	1934	81
(n) $300.00 and over " "	2692	69
Total	32299	15955

3. Number of retired civil servants and widows residing in each province:

	Retired civil servants	Widows
Newfoundland	360	133
Prince Edward Island	189	94
Nova Scotia	1512	792
New Brunswick	911	502
Quebec	5674	2851
Ontario	14009	7067
Manitoba	1497	658
Saskatchewan	999	429
Alberta	1742	807
British Columbia	4790	2245
Territories	51	11
Outside Canada	565	366
Total	32299	15955

4. Number of orphans of federal civil servants and average amount per annum: 67, $187.

PENSIONS OF RETIRED MOUNTED POLICE

Question No. 687—**Mr. Knowles:**

1. How many retired Royal Canadian Mounted Police personnel are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.90 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of R.C.M.P. personnel or of retired R.C.M.P. personnel are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired R.C.M.P. personnel and also the number of widows of R.C.M.P. personnel or of retired R.C.M.P. personnel presently residing in each province?

4. In respect of how many orphans of R.C.M.P. personnel are pensions being paid and what is the average amount thereof?

Hon. L. T. Pennell (Solicitor General): 1. (a), Nil; (b), 2; (c), 5; (d), 9; (e), 21; (f), 41; (g), 54; (h), 45; (i), 58; (j), 405; (k), 400; (l), 335; (m), 267; (n), 522.

Questions

2. (a), 16; (b), 11; (c), 10; (d), 19; (e), 17; (f), 27; (g), 9; (h), 8; (i), 12; (j), 51; (k), 27; (l), 10; (m), 5; (n), 3.

3. Province	Retired Personnel	Widows
Newfoundland	28	2
Prince Edward Island	16	Nil
Nova Scotia	183	9
New Brunswick	77	7
Quebec	169	9
Ontario	473	58
Manitoba	114	9
Saskatchewan	133	7
Alberta	303	29
British Columbia	570	85
Northwest Territories	13	Nil
Outside Canada	85	10

4. 100—Average $24.48 per month.

R.C.M.P. SUPERANNUATION ACCOUNT

Question No. 688—**Mr. Knowles:**

1. What was the total amount of money in the Royal Canadian Mounted Police Superannuation Account as at (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

2. What rate of interest does the government pay for the use of this money?

3. What amount of interest was credited to the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

4. What was the total amount paid out of the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1964 (b) March 31, 1965 (c) March 31, 1966 (d) March 31, 1967?

Hon. L. T. Pennell (Solicitor General): 1. (a) March 31st, 1964, $45,986,906.99; (b) March 31st, 1965, $57,706,948.59; (c) March 31st, 1966, $65,411,253.45; (d) March 31st, 1967, $85,081,315.27.

2. Interest is credited to the superannuation account on the last day of each quarter in each fiscal year, namely, on the 30th day of June, on the 30th day of September, on the 31st day of December and on the 31st day of March, respectively, calculated at the rate of one per cent of the balance to the credit of the account on the last day of the preceding quarter.

3. (a) March 31st, 1964, $1,576,978.32; (b) March 31st, 1965, $1,929,488.33; (c) March 31st, 1966, $2,420,759.75; (d) March 31st, 1967, $2,841,067.52.

[Mr. Pennell.]

4. (a) March 31st, 1964, $573,195.38; (b) March 31st, 1965, $666,752.98; (c) March 31st, 1966, $848,113.32; (d) March 31st, 1967, $972,646.84.

ICEBREAKING IN ST. LAWRENCE RIVER

Question No. 701—**Mr. Crouse:**

1. What are the regulations covering icebreaking in the St. Lawrence river and the gulf of St. Lawrence area?

2. Are they the same as last year?

3. How many icebreakers will be detailed this winter for service in this area?

4. What are the names of these ships?

5. How many men are employed on these ships?

6. What is the estimated cost of providing this service?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. As in previous years the main fleet of icebreakers will operate in the gulf of St. Lawrence for the support of commercial shipping. A smaller number of icebreakers will operate in the river above Quebec to keep open the channel in view of the importance of flood control. A notice to mariners is being issued to notify shipmasters of the special conditions that exist in the river above Quebec and the way in which the icebreakers operate and to caution them against actions that may complicate or hamper flood control operations.

3. Twelve icebreakers and icebreaking lights and buoy tenders.

4. "John A. Macdonald", "d'Iberville", "Labrador", "Sir Humphrey Gilbert", "Sir William Alexander", "Tupper", "J. E. Bernier", "Simon Fraser", "Wolfe", "Montcalm", "N. B. McLean" and "Ernest Lapointe".

5. 610.

6. $2,176,416.

*POSTAL STRIKE IN NIAGARA DISTRICT

Question No. 703—**Mr. Irvine:**

With reference to the recent strike action of postal employees in the Niagara Peninsula area (a) was disciplinary action instituted against the letter carriers who took part in the strike (b) if so, what and on what grounds (c) if no disciplinary action was taken, was any threatened?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, the answer to question No. 703 is as follows: (a) No decision has yet been taken; (b) Not applicable; (c) No.

Questions

[*English*]

ASSISTANCE FOR AIR CREW TRAINING

Question No. 726—**Mr. Dinsdale:**

1. Is air crew training for pilots, radio operators and navigators assisted under the vocational and technical training program?

2. Are student loans available for air crew training?

3. What other programs are available or contemplated to meet the chronic shortage of air crew personnel?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Manpower and Immigration, Finance and Transport as follows:

1. Under the occupational training for adults program required educational upgrading and related skill courses may be purchased. Flying time in aircraft has not been purchased.

2. No.

3. Assistance is now provided in the form of a grant of two hundred dollars equally divided between the school and the pilot for private pilot training. The Department of Transport is presently studying possible methods of financial aid to assist commercial pilots improve their flying qualifications. The studies in this regard have not yet been completed.

AIRPORT CAPITAL ASSISTANCE, ONTARIO

Question No. 738—**Mr. Smith:**

1. Since March 25, 1965, under the airport capital assistance policy, how many capital assistance grants have been approved for airports in Ontario, and in what amount, and for which municipalities have these grants been approved?

2. How much has been paid on the grants?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Since March 25, 1965, there have been seven capital assistance grants aproved for airport improvements in Ontario. The following list indicates the municipalities for which the assistance grants have been aproved and the amount of the grant. Elliot Lake, $230,000.00; Midland, $38,070,00; Niagara district (passenger-operations bldg.), $41,985.00; Peterborough, $596,000.00; Sarnia (passenger-operations bldg.), $30,562.50; South Porcupine (seaplane base), $26,920.00; Waterloo-Wellington, $374,000.00.

2. The following amounts have been paid on the grants. Elliot Lake, $779.52; Niagara district, $22,610.76; Peterborough, $149,276.27; South Porcupine, $26,920.00; Waterloo-Wellington, $369,709.52.

ADJUSTMENT ASSISTANCE BOARD, INDUSTRY DEPARTMENT

Question No. 750—**Mr. Hales:**

1. What are the names of the members of the adjustment assistance board of the Department of Industry?

2. Who is chairman of the board?

3. Who is secretary of the board?

4. How many meetings have they held since its inception?

5. Are minutes kept of these meetings and, if so, are they available to members of parliament?

6. How many people are employed by the board and how many are there in each salary category?

7. How many loans have they approved in each of the following categories (a) $10,000-$25,000 (b) $25,000-$50,000 (c) $50,000-$75,000 (d) $75,000-$100,000 (e) $100,000 and over?

8. What is the rate of interest charged for these loans and what is the duration of the loans?

9. Are any loans in default?

Hon. C. M. Drury (Minister of Industry): 1. Professor V. W. Bladen, University of Toronto. Mr. R. B. Bryce, Deputy Minister, Department of Finance. Mr. G. V. Haythorne, Deputy Minister, Department of Labour. Mr. R. C. Labarge, Deputy Minister, Customs & Excise Division, Department of National Revenue. Mr. S. S. Reisman, Deputy Minister, Department of Industry. Mr. J. H. Warren, Deputy Minister, Department of Trade & Commerce.

2. Professor V. W. Bladen.

3. Mr. C. D. Arthur.

4. Thirty.

5. Yes, minutes are kept, however, it is not in the public interest to release any of these minutes since activities of the adjustment assistance board with respect to its borrowers are of a confidential nature and the terms and conditions of loans are considered to be "commercial confidential".

6. None. Support for the board's activities is provided by staff of the Department of Industry.

7.

Loan categories	Number approved
(a) $ 10,000—$ 25,000	1
(b) 25,000— 50,000	2
(c) 50,000— 75,000	5
(d) 75,000— 100,000	2
(e) 100,000 and over	31
Total	41

8. A rate of interest of 6 per cent per annum was charged on loans made by the board between August 11, 1965 and October 18, 1967. Since October 19, 1967 an interest rate

of 7¼ per cent has been charged. The duration of loans made by the board may be up to 20 years depending upon the circumstances.

9. No.

UNCOLLECTABLE STUDENT LOANS

Question No. 751—**Mr. Hales:**

1. How many student loans have been returned to the federal government from chartered banks as uncollectable?

2. For what amounts are these loans?

3. What amount in student loans has the government written off?

Hon. Mitchell Sharp (Minister of Finance): 1 and 2. As of October 31, 1967, 226 loss claims for a total of $125,403 have been paid. As of the same date an additional 155 claims for $94,657 had been received but were still being discussed with the banks. This latter group of claims includes loans which can be brought back into good standing and on which no claim payment will be required.

3. None.

*COMPENSATION TO OWNERS OF COIN OPERATED MACHINES

Question No. 753—**Mr. Southam:**

In view of the federal government's program of conversion from silver coinage to nickel coinage, what plans, if any, has the government made to compensate owners of some 450,000 coin-operated machines across Canada who will be faced with a heavy economic burden in the change over to nickel coinage operated equipment?

[*Translation*]

Hon. Jean Chrétien (Member of the Administration): The government at present is investigating the possible costs of the change-over to the vending machine industry and has not yet made a decision on the industry's request for compensation.

[*English*]

QUEBEC BRANCH, MANPOWER DEPARTMENT

Question No. 756—**Mr. Godin:**

1. What cities and parishes are served by the Quebec Branch of the federal Department of Manpower and Immigration?

2. (a) Who is the head of this Branch (b) how many unemployed persons are registered at this Branch (c) how many of these unemployed persons have undertaken studies and are receiving grants from the federal government?

[*Translation*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of Manpower and Immigration): 1. Charlesbourg, Loretteville, Ste-Foy, Beauport, Courville, Lac Delage, Montmorency, Orsainville, Ville-Vanier, Notre Dame de Lorette, L'Ancienne-Lorette, St-Félix du Cap Rouge, Tewkesbury, Charlesbourg-Est, Lac St. Charles, St-Gabriel de Valcartier, St-Michel-Archange, Beaulieu, Beaupré, Lac St-Joseph, Château-Richer, Ste-Brigitte de Laval, Ste-Famille, St-François, St-Pierre, Lac Sergent, Deschambault, Fossambault Sur Le Lac, St-Basile-Sud, St-Casimir-Est, St-Marc des Carriers, Notre Dame de Portneuf, St-Augustin de Desmaures, Ste-Catherine, St-Gilbert, St-Joseph de Deschambault, Ste-Jeanne de Pont Rouge, Shannon, Giffard, Québec, Sillery, Bélair, Duberger, Les Saules, Notre Dame des Laurentides, Val St-Michel, Villeneuve, St-Émile, St. Dunstan du Lac Beauport, Stoneham, St-Féréol, Charlesbourg-Ouest, St-Gabriel Ouest, St-Joachim, Ste-Thérèse de Lisieux, Neufchatel, Ste-Anne de Beaupré, St-Jean de Boischatel, L'Ange-Gardien, St-Tite des Caps, St-Jean, St-Laurent, Donnoconna, Portneuf, Pont-Rouge, St-Alban, St-Casimir, St-Charles des Girondines, St-Ubald, Pointe-aux-Trembles, St-Basile, Ste-Christine, St-Thurbide, Cap Santé, St-Leonard de Portneuf.

2. (a) The Manager of the Canada Manpower Centre in Quebec City is Stanislas Picard. (b) Total number of people registered for new employment, as of 31 October, 1967, was 13,343. This figure includes those having full-time, part-time and casual employment as well as those who are unemployed. (c) Of a total of 655 persons in full-time training under the Occupational Training for Adults scheme, 580 were receiving allowances as of 30 November, 1967.

[*English*]

ROAD TO PUBLIC WHARF, BIG BRAS D'OR, N.S.

Question No. 757—**Mr. Muir (Cape Breton North and Victoria):**

1. Did officials of the Department of Public Works discuss improvements to the road to the public wharf at Big Bras d'Or, Nova Scotia, with officials of the Department of Highways for the province of Nova Scotia and, if so, on what date?

2. Did the provincial Department of Highways indicate they would be willing to take over ownership of this road and future maintenance if the Department of Public Works carried out certain immediate improvements?

3. Did the Department of Public Works carry out the certain improvements requested and, if not, for what reason?

4. Was a property survey completed of the area in question and, if so, on what date was such a survey completed?

5. Have negotiations with the Department of Highways for the province of Nova Scotia been started to work out an agreement for the take-over of this road?

6. When is it anticipated that the agreement will be made?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, on January 27, 1965, by letter.

2. Yes.

3. The improvements entail the widening of the road, but so far it has not been possible to complete the acquisition of the additional land.

4. The survey documents have not been received from the provincial land surveyor.

5. Yes.

6. When the property acquisition and the road improvements have been completed.

ISSUE OF COIN SETS, 1967

Question No. 765—**Mr. McCleave:**

1. Did the Royal Canadian Mint issue a coin set costing approximately $40 for 1967?

2. Were sales of such discontinued on September 30 and, if so, for what reason?

3. How many sets were sold?

Hon. Mitchell Sharp (Minister of Finance): 1. Yes. The Royal Canadian Mint issued a centennial gold presentation set consisting of a $20 gold coin and one each of all the subsidiary coins from one cent to one dollar. These seven coins were enclosed in a genuine black morocco leather case and sold for $40.

2. The mint commenced accepting orders for this set in early May, 1966. It discontinued the acceptance of orders on 30 September, 1967. Orders were accepted for a period of 17 months. Both the opening and closing dates were well publicized in all numismatic newspapers and by the press across Canada.

The sale was discontinued to afford the mint a three month period in which to manufacture and process all orders received and also to tool up and prepare for 1968 coinage. It was also necessary to give the box manufacturer an opportunity to make deliveries before the end of the calendar year, if at all possible.

3. Approximately 300,000 sets were sold.

AGE LIMITS FOR OVERSEAS TEACHERS, DEFENCE DEPARTMENT

Question No. 766—**Mr. Bell (Carleton):**

1. In engaging teaching staff for schools operated overseas by the Department of National Defence, is it the policy of the department to accept applications from male teachers up to the age of sixty, but to place an age limit of forty on female applicants?

2. If so, what is the reason for this differentiation?

3. Have any complaints been received from teachers or other organizations in respect of the differentiation?

4. If so, what action has been taken by the department in respect of such complaints?

5. Does a similar differentiation exist in respect of schools operated within Canada by the Department of National Defence?

Hon. Léo Cadieux (Minister of National Defence): 1. Yes.

2. The age differential was established after D.N.D. dependants' schools overseas were in operation for several years and the limitations were imposed after a period of practical experience in the overseas environment.

3. Yes.

4. Although consideration has been given to eliminating the age differential between male and female applicants it is not intended to change the existing age limits at this time.

5. No.

TRANSFERS FROM DEFENCE DEPARTMENT TO TRANSPORT DEPARTMENT

Question No. 779—**Mr. Orlikow:**

1. As of September 19, 1967, how many persons in the Department of National Defence moved to the Department of Transport?

2. Of these, how many were employed in the information and/or public relations services of the Department of National Defence?

3. Of these, how many were military personnel?

4. Of those who moved, how many years of service with the Department of National Defence did each have?

Hon. Léo Cadieux (Minister of National Defence): 1. As of September 19, 1967, six persons in the Department of National Defence moved to the Department of Transport.

2. None.

3. None.

4. Mr. W. M. Lee, 24 years two months; Miss M. M. M. Bulger, four years, five months; Mr. R. G. Edwards, two years, eleven months; Mr. R. G. Gairnes, one year, one half month; Mr. R. J. McDowall, two months; Mr. R. P. Stone, one month.

Orders for Returns

DUTIES OF LLOYD FRANCIS AT UN

Question No. 800—**Mr. Faulkner:**

1. What were the duties of Lloyd Francis at the 22nd general assembly at the UN?

2. How much time did he spend in connection with these duties?

3. How much was he paid for his services?

Hon. Paul Martin (Secretary of State for External Affairs): 1. He is serving as the Canadian representative on the fifth (administrative and budgetary) committee.

2. His duties have engaged his full time attention since the commencement of the current session on September 19, 1967, and will continue to do so until the end of the session, on or about December 19, 1967.

3. He receives no salary for service as a member of the Canadian delegation to the general assembly, but is reimbursed for actual expenses.

CONSULTANTS' STUDY, CONSUMER AFFAIRS

Question No. 819—**Mr. Bell (Carleton):**

1. What was the amount allotted from Treasury Board Vote 5 for contingencies on or about October 26, 1967, for the expenses of consultant's study on objectives of the federal government in the area of consumer affairs?

2. What amount has been actually expended?

3. What, in detail, was the purpose of the study?

4. What persons, firms or corporations were retained as consultants to undertake the study?

5. Did such consultants retain other agencies, persons, firms or corporations to assist in the study?

6. If so, what are their names?

7. Has the study been completed?

8. If so, when will it be laid on the Table of the House?

9. If not, when is it expected to be completed?

10. Why was it considered necessary that these expenses be paid from Treasury Board Vote 5 for contingencies?

Hon. John N. Turner (Registrar General):
1. $70,000.

2. Nil; First statement expected by mid December.

3. The proposed study is designed to assist the department in defining a government wide consumer affairs program and in formulating its own programs, organization and planning, budgeting and information systems within that framework.

4. Operations Research Incorporated were retained as consultants.

5. No.

[Mr. Cadieux (Terrebonne).]

6. N/A

7. No.

8. N/A

9. July 15, 1968.

10. The information of a consumer affairs branch was not anticipated when main estimates for the department were prepared in 1966; therefore funds were not provided in the main estimates for any organization or work connected with the formation of the consumer affairs branch.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COST OF FEDERAL ADVERTISING

Question No. 448—**Mr. Mather:**

1. What, in dollars, was the amount of federal advertising placed through advertising agencies in Canada in 1966?

2. What, in dollars, was the commission paid to the advertising agencies?

3. Who were the advertising agencies?

Return tabled.

CONSIDERATION OF REPORT ON POST OFFICE DEPARTMENT

Question No. 463—**Mr. Bell (Carleton):**

1. Since the return was tabled to question no. 2,323 of the last session of Parliament on February 15, 1967, regarding implementation of the list of recommendations appearing from pages 325 to 355 of the report of the Hon. Mr. Justice André Montpetit on working conditions in the Post Office Department, how many of such recommendations have since been (a) implemented (b) partially implemented (c) rejected, in each case specifying which ones?

2. What recommendations are still under consideration and in respect of these, when is it anticipated that a decision may be reached?

Return tabled.

PENITENTIARY STAFF

Question No. 665—**Mr. Orlikow:**

1. What was the total number of inmates in federal penitentiaries as of the last date for which the annual report was prepared?

2. What was the total staff employed in these penitentiaries and, of these, how many are guards, teachers, psychologists, psychiatrists, etc.?

3. What qualifications are required for the professional staff?

4. What are the minimum qualifications for guards employed in penitentiaries?

5. Is there a compulsory training course for people hired as guards and, if so, what type of course, and how long does it take to complete this course?

Return tabled.

INDUSTRY

INQUIRY AS TO STEPS TO INCREASE INDUSTRIAL PRODUCTIVITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the right hon. Prime Minister. In view of the fact that productivity in Canada has remained stationary during the past 12 months, a situation similar to that which brought about the present economic crisis in Great Britain, does the government intend to introduce any measures to induce industry to correct this situation before we recess for the Christmas holiday, in view of the fact that we will not be returning until the latter part of January ?

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, once again I am afraid I am not able to accept completely the premise on which the question was based, but if there are any additional measures to those being taken in this field they will be announced as soon as possible. I am not sure where my hon. friend got the information that we are not coming back until the third week in January.

Mr. Hees: As a supplementary question, would the Prime Minister do me the honour of getting in touch with the Dominion Bureau of Statistics, and he will receive exactly the information I received, which will tell him my statement is correct.

Mr. Deputy Speaker: Order, please. The hon. member should put his question.

Mr. Hees: Then, Mr. Speaker, may I continue with my question. Would the Prime Minister not agree that whatever the government has been doing during the past 12 months it has been singularly unsuccessful in improving productivity, and would the government not now take action to correct this situation?

Mr. Deputy Speaker: Order. The hon. member for York South.

[*Later:*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Prime Minister in respect of an earlier question regarding the economic crisis. Has the economic crisis in Canada become so much more severe over the week end that members of the cabinet have decided to camouflage their identity?

Inquiries of the Ministry

Mr. Pearson: Mr. Speaker, there is no economic crisis.

UNITED NATIONS

VIET NAM—PROPOSED DISCUSSION IN SECURITY COUNCIL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister and ask if he can inform the house whether Canada has participated in any discussions at the United Nations or elsewhere concerning the suggestion that the problems in respect of the war in Viet Nam be brought before the security council. If so, what has been Canada's position on this subject?

Right Hon. L. B. Pearson (Prime Minister): I think, Mr. Speaker, there have been some informal discussions among members of the security council on this matter. I believe also some consideration has been given by the Secretary General to the possibility of representatives of North Viet Nam appearing. I shall be glad to take my hon. friend's question as notice and perhaps be able to give a more specific reply tomorrow.

[*Translation*]

HOUSE OF COMMONS

APPLICATION TO STAFF OF BILINGUAL BONUS

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a question for the Minister of National Revenue in his capacity of President of the Treasury Board.

Did the minister receive a request signed by hon. members from all parties in the house, as well as by parliament employees, asking that the 7 per cent bonus be granted to bilingual employees? In the affirmative, is it the intention of the minister to comply with that request?

[*English*]

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): To my knowledge I have not received such a petition. I should point out once again that the matter is one for Mr. Speaker, and not for me.

Inquiries of the Ministry

EXTERNAL AFFAIRS

NIGERIA—POSSIBLE MEDIATION BY CANADA IN CIVIL DISPUTE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to direct this question to the right hon. Prime Minister; it follows on one I asked last week. In the absence of any official communiqué or news report could the Prime Minister inform the house whether his talks with the foreign minister of Nigeria touched on the civil war in that country and the possibility of Canadian mediation in that dispute?

Right Hon. L. B. Pearson (Prime Minister): Yes, that matter came up. The foreign minister expressed the hope that the civil conflict would end very shortly and that Nigerian unity would be restored and peace with it.

PUBLIC SERVICE

MAINTENANCE OF ETHNIC PRESS DIVISION IN STATE SECRETARY'S DEPARTMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, my question is directed to the Secretary of State. I should like to ask her whether she or the government have given orders to the staff of the ethnic press division in her department that they should seek other employment because of the disbanding of that section.

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker, I know nothing at all about that.

Mr. Starr: Is there any intention on the part of the government to disband that section in the Department of the Secretary of State?

Miss LaMarsh: None whatsoever.

HOUSE OF COMMONS

REQUESTS FOR DISTRIBUTION OF STUDY PAPERS ON HOUSE LEADERS

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Prime Minister. The right hon. gentleman will understand why I was unable to give him notice of it. In view of the fact that the statement hereinafter referred to is already in the hands of the press, would the Prime Minister be willing to provide for the benefit of members the alleged study paper dealing with the Leader of the Opposition? In addition, would a copy be sent to the Leader of the Opposition for his guidance in the hope that this may lead to some understanding of the extraordinary political acrobatics of this government?

[Mr. Benson.]

Right Hon. L. B. Pearson (Prime Minister): I would be very glad indeed to do that, Mr. Speaker. It is a very interesting academic exercise.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a supplementary question for the Prime Minister on the matter of the study or position papers. Would the Prime Minister also let the house have a position paper on the various Liberal hopefuls?

Mr. Pearson: Yes, Mr. Speaker. And I wonder whether my hon. friends on the other side would send me a copy of the analyses I am sure they have made over the years of my character and achievements.

PARLIAMENT HILL

INQUIRY AS TO MAINTENANCE OF CENTENNIAL FLAME

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the right hon. Prime Minister. In view of the fact that the centennial flame has caught the imagination of a great many people in Canada, has the Prime Minister received representations from people and organizations requesting that the centennial flame be maintained in perpetuity?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; I have received representations, including representations from many members of the house on this side and others. I agree that the flame should become the symbol of our first centennial year and should not be extinguished. Perhaps it would be desirable to re-light it as we enter our second centennial year.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

When we look at that flame, we see a blue part. Would it be possible to put out only that part and maintain the other?

[*English*]

TRADE

WHEAT—INQUIRY AS TO PROMOTION OF FURTHER SALES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. The report he gave us is very encouraging, but what the farmers really want to know is whether they can eventually get any of their grain to the markets of the world.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, that is relatively easy to answer, because eventually they will. I imagine they are a little more concerned than that. What they would like is to have their wheat moved to the markets of the world as quickly as possible. While I was in Europe I did take the opportunity to speak to all the wheat purchasing agencies concerned and was glad to have confirmed that Canadian wheat is held in high regard for blending purposes by all these countries. I think hon. members can assume that these countries will continue to take our wheat at the normal levels.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a supplementary question. Will the recent sale of wheat by France to mainland China have the effect of reducing the sale of Canadian wheat to that country?

Mr. Winters: I would not think so, Mr. Speaker.

[*Later:*]

Hon. George Hees (Northumberland): I should like to direct a question to the Minister of Trade and Commerce. Can he now follow the suggestion I made earlier in the day, that he outline to the house whether he was able to develop any new markets for Canadian wheat or extend any existing markets?

Mr. Winters: Mr. Speaker, negotiations of this kind take some time, but I think it is fair to say that as a result of the visit I made Canadian wheat will be sold in some of the countries I visited.

Mr. Hees: I take it the minister really has no concrete idea as to whether we will be able to make any important move to build up our wheat sales in order to correct the situation that has developed this year as a result of the serious decline in wheat sales?

Mr. Winters: That is not correct, Mr. Speaker. I have some concrete ideas, and in due course I hope to be able to inform the house about some of them.

PROPOSED PREFERENTIAL POLICY FOR DEVELOPING NATIONS

On the orders of the day:

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Earlier today he referred to temporary trade preferences for the developing nations. Would the minister say whether Canada intends to adopt or propose a policy at the UNCTAD meeting in February promoting preferential buying from the developing nations, as was recommended at the NATO conference?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, we will not be proposing such a program. We will be supporting a program along the lines I advocated in the remarks I made at GATT; that is, a preferential program on a temporary and non-discriminatory basis so the weight will be borne by all developed countries. I made one or two other reservations. We will approach it in a spirit of harmony, and if preferences are the wish of all or the majority of the participating countries, Canada will go along.

SUGGESTED ESTABLISHMENT BY CHINA OF CANADIAN OFFICE

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is on a related matter and is directed to the Minister of Trade and Commerce. It is based on a very interesting section of the minister's speech to the GATT conference in which he said:

> There are opportunities to make further progress on a pragmatic basis with individual countries.

Does this mean that the government now intends to make an offer or invitation to the republic of China on the mainland for the setting up of a trading office to facilitate the sale of goods to this country?

Hon. Robert Winters (Minister of Trade and Commerce): Mainland China is a very valued trading partner. Members of the wheat

board are currently in Canton endeavouring to negotiate an extension of the wheat purchase arrangements under the over-all contract. I am hopeful that in due course a successful result will ensue.

As part of our trading arrangements we do exchange trade in other goods, and we should like that flow to increase. The specific means to achieve that will have to be worked out having regard to the political circumstances between the two countries.

Mr. Hamilton: To be very specific, I think some 22 nations have granted China the right to set up trade offices in their countries. On several occasions in the past I have asked about the policy of the government in this regard but I have never been able to get a precise answer. In view of the very promising statement made by the minister in Geneva on November 22, will he not make an effort now to invite the Chinese to set up a trade office here so Canadian businessmen can meet with officials of that country in this country instead of travelling all the way to China?

Mr. Winters: That is a matter to which we will have to give consideration, Mr. Speaker.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a supplementary question to those directed to the Minister of Trade and Commerce, which I should like to pose to the Prime Minister. In view of the minister's replies does the Prime Minister think now might be an appropriate time to commence negotiations for an exchange of diplomatic relations with Peking China?

Right Hon. L. B. Pearson (Prime Minister): I do not think this would be the most appropriate moment, Mr. Speaker.

CRIMINAL CODE

SUGGESTED AMENDMENT RESPECTING BREATHALIZER TESTS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I wished to address to the Minister of Justice. Perhaps in his absence somebody else might take it as notice. Having in mind the minister's earlier statement in respect of amendments to the Criminal Code to provide for a mandatory test for drinking drivers, can it be indicated when it is hoped to introduce legislation on that point, particularly having in mind the fact that similar action in Great Britain recently has reduced the death rate on the roads by 40 per cent?

[Mr. Winters.]

GRAIN

WHEAT—INQUIRY AS TO CLOSING OF POOL ACCOUNTS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Trade and Commerce, and I welcome him back to this low quota, low delivery and low income area. I should like to know when we may expect the 1966-67 wheat pool accounts to be closed off, and whether an attempt will be made to close them off as early as or earlier than last year.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, the observation about low income is relative. I have been in some countries recently where they would enjoy the standard of living we have in Canada. As to the matter of the date of the closing off of wheat pool accounts, I will take the question as notice and answer it in due course.

FINANCE

REQUEST FOR CONTINUED PRODUCTION OF HALF DOLLAR AND DOLLAR COINS

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): I wish to direct a question to the Minister of Finance. Since the government discontinued minting of 1967 50-cent pieces in July, and $1 pieces in September, and Canadians are forced now to pay as high as $3 for a 1967 Canadian 50-cent piece, will the minister reconsider this decision and again mint these Canadian coins so Canadians will not have to pay this exorbitant price?

Hon. Mitchell Sharp (Minister of Finance): I will take note of the hon. member's suggestion, Mr. Speaker.

NORTHERN AFFAIRS

DISCUSSIONS RESPECTING INCREASED FISCAL POWERS OF YUKON COUNCIL

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the repeated indications by the Yukon legislative council that they desire to institute formal discussions with the federal government relating to increasing the fiscal powers of the council, will the Prime Minister indicate to the house whether the government is prepared to co-operate by participating in such talks with

the objective of increasing those powers, and introducing appropriate amendments to the Yukon Act?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to discuss this matter with the minister, who in due course will make a statement in this regard.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—PRESENCE OF FEDERAL MEMBERS AT DISCUSSIONS

On the orders of the day:

Mr. Melvin McQuaid (Kings): Mr. Speaker, in view of the announcement this morning that the premier of Prince Edward Island will be meeting with the Prime Minister tomorrow to discuss the slowdown in the construction of the Prince Edward Island causeway, will the Prime Minister consider inviting members of parliament representing Prince Edward Island to that meeting in view of their interest in this question?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to convey the results of that discussion to my hon. friends from Prince Edward Island.

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of Public Works. Can he advise whether Colonel Edward Churchill is now studying the feasibility of placing hovercraft on the Borden-Tormentine run, and whether these are being considered as replacements for existing ferries or as a substitute for the still non-existent causeway?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, Colonel Churchill is directing the consultant firm examining all possible ways of establishing a crossing from Prince Edward Island to the mainland.

HEALTH AND WELFARE

INQUIRY AS TO REGULATION OF CIGARETTE ADVERTISING

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Is the government contemplating the placing of either severe restrictions or an outright ban on cigarette advertising on radio and television?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): None at the moment, Mr. Speaker.

PUBLIC SERVICE

REPRESENTATION AS TO SALARY INCREASES FOR SCIENTIFIC PERSONNEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of National Revenue whether he can answer today the question I asked on Friday in respect of the charge of the professional institute that the decision of the government not to pay the promised increase to our scientific staff will mean large scale resignations.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I have just received a rather lengthy report in this regard, and I should like to condense it and perhaps answer my hon. friend's question tomorrow.

POLLUTION

INQUIRY AS TO PROPOSED EXPENDITURE TO CONTROL WATER POLLUTION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I have a question for the Minister of Energy, Mines and Resources. Will he tell the house whether the $50 million assault on water pollution which was to have accompanied the passage of a proposed new water act has been scrapped as part of government spending cuts?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, personally I was hearing for the first time about a specific amount of $50 million to be affected to the fight against water pollution. We would have liked to dispose of such a fund, of course, but it is not essential.

However, this is a good opportunity to say that next year my department will earmark $48 million for its water resources branch, and out of that amount $21 million will be for oceanography and $9 million to pollution in particular. Other departments contribute also to that undertaking. I feel that this newspaper report should not be given the dramatic importance it seems to have at first sight.

Inquiries of the Ministry

[*English*]

EXTERNAL AFFAIRS

SALE TO U.S. OF ARMS FOR USE IN VIET NAM

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the dreadful suffering of the people of Viet Nam will the government of Canada reconsider its policy of selling arms to the United States, some of which are used in that country?

Right Hon. L. B. Pearson (Prime Minister): We do not intend to abrogate our defence sharing agreement with the United States.

URANIUM

INQUIRY AS TO DISCUSSIONS RESPECTING SALE TO FRANCE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce. During his recent extensive trade tour did he have an opportunity to discuss the sale of uranium to France?

Hon. Robert Winters (Minister of Trade and Commerce): No, Mr. Speaker, I had no direct opportunity to talk with the French government during this visit. My purpose in being in Paris was to attend the O.E.C.D. meeting, which of course was attended by some of the ministers of France. I did on one occasion at lunch have an opportunity to discuss uranium in a general way, but there are no changes in the circumstances.

Mr. Hales: Were those discussions along any other lines than the use of uranium for peaceful purposes?

Mr. Winters: No, Mr. Speaker; those are still the rules of the game.

OLD AGE SECURITY

ADJUSTMENT OF INCOME SUPPLEMENT TO PROVIDE MINIMUM AMOUNT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Has the minister yet found a way to make provision for old age pensioners who are receiving the guaranteed income supplement, when their income drops during the calendar year, to receive an immediate adjustment to restore their income to the minimum provided by the law as it now stands?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Knowles: I have a supplementary question, Mr. Speaker. In view of the fact that this question has been asked two or three times, may I ask the minister whether he is working on this matter?

Mr. MacEachen: Yes, Mr. Speaker, but I do not think it will be possible to make any legislative changes in the law in the present session of parliament. We do have under consideration certain changes which may be necessary as a result of our experience in administering this large program, but we do not think we will have the opportunity to take the necessary steps in this session.

INDIAN AFFAIRS

INQUIRY AS TO PREPARATION OF DRAFT LEGISLATION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development and ask him whether the draft of the revised Indian Act has yet been prepared and sent to the various band councils across the nation.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is our intention to present it first in the house and then take it to the Indian bands. The draft is just about completed, and I hope that early in the new year we might distribute it first here and then to the bands and other interested parties in Canada.

Mr. Howard: I have a supplementary question, Mr. Speaker. Is there any intention to delay the second reading of the bill for a reasonably long period of time until the various band councils and other interested people have an opportunity to express their views on the proposals?

Mr. Laing: I am somewhat fearful that the distribution of the act among the Indian bands and their consultation might take more than a reasonable amount of time.

INQUIRY AS TO HOUSING PROGRAM ON RESERVATIONS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a related question for the Minister of Indian Affairs and Northern Development. In view of the reported change from a five year to a seven year housing program, can the minister say whether it is planned to have these houses serviced with water and sewerage at the conclusion of the seven years?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): No, Mr. Speaker, I do not think we could give such an assurance, because certain areas simply do not lend themselves to the introduction of these services.

I might say, with reference to the original five year plan, that we have not quite been keeping pace with the plan, and its extension to seven years is not as serious as it seems. I think we are doing a reasonably good job in housing on the Indian reservations, but I cannot give the hon. member the assurance he requests with respect to the provision of sewerage and water facilities.

Mr. Simpson: I have a supplementary question, Mr. Speaker. In view of the statement made by the deputy minister in Tuktoyaktuk a year ago, that all the Eskimo and Indian houses would be provided with sewers and water within five years, has there been a change in the program since then?

Mr. Laing: I am quite certain that if the deputy minister made that statement, and I cannot recall whether or not he made it, he was not referring to the Indian residents in the provincial areas of Canada.

Mr. S. J. Korchinski (Mackenzie): Can the minister inform us whether the areas in which the house construction program has been slowed down have already been designated, or is this matter to be negotiated?

Mr. Laing: Mr. Speaker, I should like to explain to the house that the co-operation of Indian bands is required in all these instances, and those which have been most energetic have received consideration before the others. I think this is also to be expected in the future.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Friday, December 8, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Monteith (page 5118).

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, Canadians today learned that the high command of the present government, having satisfied itself that the nation's business was in order, has issued a position paper on the Leader of the Opposition—a most interesting exercise. Evidently a bankrupt government prefers to substitute political ploys for public policy. One adjective used to describe the hon. gentleman was "reluctant". In truth, that word is not only a description of the present government but is its very definition. I ask every member in every corner of the house: What are the people of Canada saying today with reference to the word "reluctant"? What other government in the history of this country has been more reluctant to defend, lead and define the federal cause, and more reluctant to act in the face of rampant inflation and the nation's most serious housing crisis?

Mr. Chrétien: Oh, oh.

Mr. Grafftey: The minister says "oh, oh". Will he deny that the part of the country he represents is deeply affected by this crisis?

Mr. Chrétien: These matters will be dealt with at the federal-provincial conference.

Mr. Grafftey: That is the trouble; instead of acting the government is calling conferences.

Mr. Chrétien: I rise on a question of privilege, Mr. Speaker. The hon. member for Brome-Missisquoi is the last member to criticize me for referring to the federal-provincial conference, because he proposes a secretariat to organize more of these meetings.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, this is not a question of privilege.

The Deputy Speaker: The minister must state his question of privilege.

Mr. Grafftey: One of the reasons that this government is losing the confidence of the people is that they feel that conferences, symposiums, meetings and committee hearings replace action. What we really want is action, and if the minister thinks that what we are getting in the west block is action he

has a lot to learn about government inaction. The government has called the Leader of the Opposition "reluctant". It is noteworthy that they have the time to spend on political ploys of this sort. What government has been more reluctant to act in the face of rampant inflation?

Mr. Byrne: The hon. member has said that already. When will he turn the page?

Mr. Grafftey: I will say it again and again. The hon. member who is supposed to be a parliamentary secretary sits here day in and day out and heckles.

Mr. Muir (Cape Breton North and Victoria): He sits on his brain.

Mr. Grafftey: Some of the problems facing the government are rampant inflation, a most serious housing crisis, air, water and soil pollution, urban blight, development and redevelopment, rising interest rates, and rising unemployment. If the present Liberal government would spend less time analysing the new Progressive Conservative leader and more time dealing with the problems of the country, Canadians would not be losing confidence in the government as fast as they are. The government has forgotten one simple fact relating to progressive leadership.

Mr. Muir (Cape Breton North and Victoria): Only one?

Mr. Grafftey: Leadership by exhortation and speech making is useless unless it is coupled with leadership by example. The supporters of the government seem to be very irritable today. They are yelling. Perhaps they are worried. Perhaps during the week end they went back to their ridings where some of their constituents have spoken to them.

Mr. Muir (Cape Breton North and Victoria): Did the hon. member say "yelling" or "yellow"?

Mr. Grafftey: Leadership by speech making and exhortation never takes the place of leadership by example. What have been the effects of the government's policies in general and this so-called budget in particular? It can be admitted that productivity cannot withstand a large corporation tax hike. I will concede that, in view of the fact that the government's policies have already seriously handicapped Canada's competitive position and national productivity.

[Mr. Grafftey.]

One of the measures taken by the government in the latest budget was to raise the income tax. Who will get it in the neck again? I wish the Minister of Finance would listen. Who will get it in the neck again?

Mr. Sharp: The Minister of Finance.

Mr. Grafftey: Oh, no, not the Minister of Finance. It will be those who are least able to pay. This condition already exists in this country and that is why, in spite of our so-called second highest standard of living in the world, these people are not getting their share of the national wealth.

• (3:30 p.m.)

Who suffers most from present economic conditions when, coupled with another increase in personal income tax, we have poor housing, a record high cost of living, high interest rates and high unemployment? The answer is the silent, voiceless poor, those on fixed and shrinking incomes who are often locked in grinding poverty. These people invariably are not assisted by public or private social welfare measures. Our party and our leader believe in the quality of Canadian life. I ask this government, what does the quality of Canadian life or democracy mean to the 35 per cent of our population living in deprivation, destitution or poverty?

Mr. Byrne: You are talking about six or seven years ago.

Mr. Grafftey: Does the hon. member get an extra salary for heckling? I know he is not what one would term the most distinguished member.

Mr. Byrne: I am just stating facts.

Mr. Grafftey: The hon. member has the reputation of being about the poorest speech interrupter. Has he ever read *Hansard* and noted his interruptions? If the hon. member does not mind my saying so, he has not too high an I.Q.

Mr. Byrne: I rise on a point of order, Mr. Speaker.

Mr. Grafftey: If I could have the assistance of the Chair I should like to continue this speech.

The Acting Speaker (Mr. Rinfret): The hon. member for Kootenay East on a point of order.

Mr. Byrne: Mr. Speaker, at least when I make a speech I do not read it word for

word as the hon. member appears to be doing.

The Acting Speaker (Mr. Rinfret): Order. The hon. member for Brome-Missisquoi.

Mr. Grafftey: What does the quality of Canadian life, or democracy mean to our 500,000 rural families who live on an annual income of less than $2,000? Does this budget or what the Minister of Finance (Mr. Sharp) is doing help those people? What about the quality of Canadian life when the Treasury Board cuts a billion dollars off the estimates? We are going to examine the question of whether or not they have really done so. We already have a shortage of doctors and we are going to have a greater shortage as the years go by. In spite of this, one of first cut-backs made was the proposed expansion of medical schools. What about the quality of Canadian life when we cut back on research, one thing a viable nation needs to spend more and more upon? What a way to run a country.

I ask every member in this house, is not one of the main functions of government to help and encourage the dispossessed? In a democracy, is not one of the main functions of government to promote equality of opportunity? I ask again, what are the effects of the government's policies on those already up against it? Need I say more?

When a government, as a result of misjudgment and miscalculation, is obliged to cut $1 billion from the estimates, even though it is mostly a public relations gimmick, it does not create stability either at the local or national levels. The effect on those who had made plans for the future based on legitimate expectations is incalculable. In an area where stability is required the government has unwittingly encouraged havoc and chaos.

I wish to touch upon two points which in my view are guide lines to help avoid a similar mess in the future. They are, first, the establishment of priorities in the social and economic fields and, second, constitutional revision and modernization. What about the establishment of priorities? I admit that a lot of loose talk has surrounded this subject. Invoking the principle often sounds like the old, I am for motherhood speech. Surely, however, the time has come to be specific. This government has consistently refused to plan its own priorities on the one hand and priorities with the provinces on the other hand. Coupled with this, sir, it is attempting to be all things to all men and do everything at once, but now the chickens have come home to roost.

As I have already said, this government has systematically destroyed its options for manoeuvre. What greater indictment could be made of a government? After all, we realize that since government is getting bigger and bigger a lot of decision-making power is left to our very excellent bureaucracy. However, decision-making power at the top level is what a government must have and should exercise. What greater indictment can we make of the government, in the face of the chaotic economic situation this nation faces, than the fact it has systematically destroyed its options for manoeuvre? Rather than tying down inflation the government has tied its own hands behind its back. Rather than build viable economic policies the government has built itself into a box. If the federal authority would only exercise the leadership expected of it and co-operate with the provinces in establishing priorities, it is my belief that many would be pleasantly surprised by the degree of agreement we would find.

Canadians recognize that while governments cannot be run completely like businesses some sound business principles must be brought into governmental affairs. The short and long term planning of priorities, agreeing on what must be done first, is one of those principles, a principle forgotten by this administration. The alternative is doing what this government has done, doing everything badly all at once while the nation goes broke.

Mr. Chrétien: May I ask a question?

Mr. Grafftey: I ask the Minister without Portfolio (Mr. Chrétien), is the nation not almost broke?

[*Translation*]

Mr. Chrétien: Mr. Speaker, would the hon. member for Brome-Missisquoi (Mr. Grafftey) allow me a question?

[*English*]

Mr. Grafftey: I will answer questions at the end of my speech. I wish to turn now to constitutional revision. The present Minister of Finance, by calling for the redistribution of taxing powers and general tax reforms before we have a basic constitutional revision and allocation of modern powers and problems to the appropriate level of government, is putting the cart before the horse. This government has consistently refused, as I

have already said, to defend and lead the federal cause. Before we have constitutional modernization we must have a dialogue at the national level here in Ottawa in order to deal with national unity and national problems. When will this government act? When are they going to act? We have had the B and B commission, we have had the Quebec legislative committee, we have had the provinces calling a confederation for tomorrow conference, we have had conferences all over the country dealing with something with which the federal authority should deal, national unity and national problems. Why is there this mandarin suspicion of politicians on the part of the present government? Whether you like it or not, whether you believe you know what is best for the people, constitutions and political documents.

You are going to have to have the co-operation of every member of this house in a dialogue in which every member of the house can take part, rather than present us with a *fait accompli*. I suggest this is one of the things upon which this government is going to have to act. Canadians all over the country are sick and tired of the buck passing between Ottawa and the provinces and the fact that no level of government is dealing effectively with many of the modern problems facing our young nation. I repeat those problems. There is inflation. Ten years ago there was no doubt in the world it was the federal authority that had jurisdiction over inflation and the cost of living. But now, the minister passes the buck and Canadians watch a government that refuses to take the first step to modernize the constitution pass the buck back to the provinces. No level of government seems to be tackling these problems.

There is housing. Hon. members opposite will tell me there is a meeting going on down the hall with the premiers of the provinces.

Mr. Chrétien: Are you against that?

• (3:40 p.m.)

Mr. Grafftey: Holding meetings does not take the place of action. The government is only now meeting with the provinces and it should have taken action one or two years ago. No government is dealing effectively with air, water and soil pollution, with urban blight, development and redevelopment, with highway deaths and injuries, with metro problems and traffic communication. Which level of government is dealing with these modern problems effectively, Mr. Speaker, while hon. members opposite sit on their partisan hands and do not let a national political dialogue take place? French and English speaking Caandians alike do not care as long as some level of government gets on with the job.

As we modernize our constitution we shall obviously find many questions old and new that require joint action, which in turn will require the improvement of consultative machinery between Ottawa and the provinces. ARDA and the resources experience in my view set good precedents in this regard.

Many government supporters point to all of the federal-provincial conferences that have been held. But, Mr. Speaker, these conferences are often held far too late when the damage has been done, as is the case with the one now being held in a crisis atmosphere. The conference the government is holding now should have been held one or two years ago. The government is like a rudderless ship going from crisis to crisis as the people lose confidence in it. If the government does not start establishing priorities, modernizing the constitution and improving consultative machinery with the provinces, then if I may paraphrase the remarks of my leader, Canadians will continue to feel that keeping this government in office is far too high a price to expect the people to pay.

[*Translation*]

Mr. Chrétien: Would the hon. member for Brome-Missisquoi allow me just one question? How can he say that the government is holding too many federal-provincial conferences and by the same token suggest that the federal government should discuss priorities and Canadian unity with provincial governments? Does he ignore completely the federal-provincial conference which will be taking place in January with regard to the Bill of Rights?

Mr. Grafftey: Unfortunately, the minister has once again misinterpreted my speech. I suggested nothing of the sort. At last, problems will be discussed with the provinces. But what I said, and I repeat it, is that a national dialogue must be initiated here in Ottawa with all political parties.

That is not what I said and the hon. member misinterpreted my speech.

Mr. J. R. Comtois (Joliette-L'Assomption-Montcalm): Mr. Speaker, I sincerely wonder if the hon. members opposite are serious when they move a non-confidence motion

against the government in the following words:

> This house regrets that the government by its vacillation and its failure to manage the economic and financial affairs of the country in a responsible manner has created a situation of instability and uncertainty, and has now proposed an increase in taxes to meet governmental extravagance, thus contributing to the inflationary pressures of the economy.

The government is charged with vacillation and failure to manage the economic and financial affairs of the country.

Let us look back together on the actions of this government. Since its accession to power, the government has tried as had promised to apply the main reforms required to develop a system of social security in Canada. On our recommendation, parliament has also authorized an appreciable increase of contributions to what is now top priority in Canada, higher education. That was done through expenditures and a special tax transfer to the provinces. We have deliberately transferred additional resources to the provincial governments so as to enable them and their municipalities to meet the constantly increasing services required of them. We have put forward measures designed to promote scientific research, industrial development and the recovery of certain areas handicapped by a slower growth and fewer revenues than others.

We have never hidden the fact that all those reforms would require huge increases in government expenditures.

During the last fiscal year, total federal expenditures have reached $9,846 million, or 16.8 per cent of the gross national product. Five years earlier, that is in 1961-62, total expenditures represented 19.2 per cent of the gross national product and five years previously, they reached $5,126 million, or 16.4 per cent of the gross national product. Therefore, even though our expenditures have increased by 92 per cent during the last decade, they represented approximately the same percentage of the gross national product as ten years ago.

Furthermore, during that period, we have decreased our taxation rates in favour of the provinces. Besides, during the same period, parliament passed the Canada pension plan, which is not taken into consideration in those statistics. It is a separate, autonomous plan, fully financed by contributions and where, at this initial stage, contributions greatly exceed payments and make up a great investment fund which is available to the provinces in order to help them meet their capital requirements.

In its assessment of the situation, this year, bearing in mind its various commitments, namely medicare, the government decided that much more severe restraints than in the past several years, would have to be imposed upon the increase in expenditures. Those restraints are necessary if we want to curb inflationary pressures within the economy, reduce our demands on the money market and keep tax increases to a minimum. Therefore, we have chosen to maintain the increase in our budget expenditures with two exceptions—medicare and the amortization of the Expo déficit—at about 4½ per cent, a much lower rate of increase than during the three previous years. When these objectives are reached and when medicare becomes operative, then, I think, we will be able to maintain the future increases of our public expenditures at a level which increasing income from an expanding economy can meet without inflationary effects.

The federal government will have to implement a number of important programs, particularly in the fields of manpower training, research and economic development, but these will not require such a rapid and deeply-felt increase in expenditures as in the case of health and social security programs over the last ten years.

To ensure this transition, we shall have to cut back in the coming year on our programs of expenditures, always excepting medicare, to contain the rapid rate of increase that occurred lately and set a more supportable one, just as we have been trying for 18 months to adjust our rate of economic expansion.

This means, in fact, that restrictions must be imposed in several areas of government activity.

[*English*]

Here is a partial list, Mr. Speaker, of the programs and projects that will be affected. These were outlined in the speech of the Minister of National Revenue (Mr. Benson).

The special planning secretariat within the Privy Council office will be disbanded. Financial provision for the Company of Young Canadians will be reduced by 20 per cent. Funds provided in a number of departmental and agency budgets for emergency measures planning and organization will be scaled

down substantially below the current year's levels. The operating budget for the C.B.C. in 1968-69 will be set at a level $11 million less than requested. The capital budget of the C.B.C. will be cut back from $57 million requested for 1968-1969 to $20 million or $5 million below the level for the current year. Further expansion of colour television facilities of the C.B.C. will be deferred.

• (3:50 p.m.)

The size of the Canadian Armed Forces will be reduced from the level of 107,000 reached earlier this year to an average level of 100,000 man-years in 1968-69. The growth rate in the Public Service generally through 1968-69 will be limited to approximately 2 per cent, or 5,000 additional positions.

The government has decided to defer the placing of any further new contracts for the Northumberland causeway pending a thorough review of the situation by Colonel Edward Churchill whose services have been retained as a co-ordinator of the project. The Department of Energy, Mines and Resources is being asked to defer starts on a number of projects originally scheduled for 1968-69.

There will be a slowdown in plans for the headquarters buildings of three departments in Ottawa, namely, external affairs, transport and national defence. The National Capital Commission will be asked to defer its plans for further driveway construction in the national capital area during 1968-69. The Department of Public Works has already been asked to defer its plans for the construction of a parking garage under parliament hill.

The Department of Agriculture has agreed to postpone the intended start of construction on a new headquarters building for the Board of Grain Commissioners in Winnipeg. Plans of the air services branch of the Department of Transport for commencing work in the construction of a third runway at the Montreal international airport will be deferred.

As you can see, Mr. Speaker, all departments are affected by this program, which is vital for the preservation of a sound economy. But what are the suggestions of hon. members of the opposition, who criticize our actions in restricting our spending program and bringing about a small increase in taxes? From reading *Hansard* of September 27 it will be seen that the hon. member for London (Mr. Irvine) wished the government to reduce the tax on production machinery. On October 10 the hon. member for Saint John-Albert (Mr. Bell) wanted the tolls on the Saint John harbour bridge removed. On September 25, according to *Hansard*, the hon. member for Kootenay West (Mr. Herridge) wanted veterans pensions and disability allowances to be increased. Again on September 25, the hon. member for Carleton (Mr. Bell) wanted the pensions of retired civil servants increased. On that date also the hon. member for Saskatoon (Mr. Brand) wanted a C.B.C. station to be built in Saskatoon. Also, the hon. member for Churchill (Mr. Simpson) wanted the roads to resources program to be resumed.

On September 26 the hon. member for Chapleau (Mr. Laprise) asked for increased funds to be made available for house construction. On September 27 the hon. member for Northumberland (Mr. Hees) asked for assistance to be given to those sectors of industry and agriculture that would be affected by the Kennedy round. Also on September 27, the hon. member for Brome-Missisquoi (Mr. Grafftey) wanted the government to reverse its decision to withdraw from the HARP program. On October 3 the hon. member for Yukon (Mr. Nielsen) asked for access roads to be constructed through to the Alaska panhandle.

I could go on and on repeating such suggestions, Mr. Speaker. The ones I have enumerated have been made since September 25. One can realize, therefore, that the opposition lacks seriousness when making its charges. It is totally unable to suggest anything constructive.

[*Translation*]

Now, Mr. Speaker, let us go back to the serious aspect of this problem.

During this fiscal year, the federal treasury is lending a net amount of $608 million to Central Mortgage and Housing Corporation for housing and other related purposes, after taking into account the reimbursements which we receive. We are also lending a net amount of $167 million to the Farm Credit Corporation. We are advancing $60 million to the War Veterans Loan Board for housing and farm credit purposes. The scope of those lending programs will have to be reduced. I am sure that we can do it without any serious results for our economy.

On the other hand, two of our large-scale lending programs will terminate in 1968, Expo, and the Municipal Development and Loan Board. So, in the future, we can expect

to recover a part of the monies loaned under these two programs.

To summarize, Mr. Speaker, the government is severely restricting its expenditures and its loans as part of a program to control the inflation of prices and costs and to reduce the excessive pressure being felt on our capital markets.

The tax squeeze necessary at this time may somewhat slow down the growth of our national production next year but this is better than a serious recession later on.

If we cannot, as individuals and organizations, exert the necessary restrictions on price, cost and wage increase, the only other solution will be a collective tax squeeze exerted by parliament. An ounce of prevention is better than a pound of cure. When the government and parliament have taken the necessary steps to brake our expenses and to cover them through tax revenues, those steps must then be accompanied by a serious campaign to obtain, through volontary co-operation, a major decrease in the excessive growth rate of prices and costs, including salary increases.

The present cycle of inflationary increases in prices and costs must be brought to an end, and a way must be found towards conditions enabling all Canadians to work, to purchase, to sell and to invest, confident that with the years their money will keep its full value. To the extent where we can mobilize efficiently public opinion to fight for those objectives, and thwart the initiatives of those who clearly take advantage of their strong position in the market to obtain inflationary increases, we will achieve a higher level of employment, production and income, as well as price stability.

In conclusion, Mr. Speaker, I must say this government shows that it is realistic and strong when it proposes concrete measures to maintain the continued progress of our economy.

Far from creating an unhealthy climate, as the opposition would lead us to believe, those measures tend to reassure the people of our country and to maintain their confidence in our present economic stability.

Canada's future is bright and promising. We should all be proud to be Canadians and to work untiringly for the welfare of all our fellow citizens.

The Budget—Mr. Danforth

• (4:00 p.m.)

[*English*]

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, as a result of the introduction of this so-called mini-budget and its effect on our agricultural industry I have felt obliged as never before to stand up in this house and try to put on record for the consideration of all hon. members the plight of the agricultural industry in Canada today.

We have asked the government questions from day to day in an attempt to reflect the feelings of the farmers of Canada and it has become clear that government spokesmen have two answers to these questions and submissions. They say, first of all, that the farmers of this country never had it so good. Two examples are given in support of this contention. It is stated that the gross national agricultural product for 1966 was the largest ever achieved by this country. That is true. It is also stated that measures introduced by this government when the dairy industry was in trouble have led to a reduction in the dairy surplus, that the average return to producers of milk for manufacture has increased from $2.65 to about $4.35 per hundred. This also is true.

Spokesmen on behalf of the government have also pointed out that measures taken on behalf of the farmers have led to the provision of increased credit through increases in the funds available to the Farm Credit Corporation, and that more money is also available for farm improvement loans and farm syndicate loans. This is true. The government also claims to have carried out in a varying measure the program of subsidization of agriculture at a cost last year, I believe, of some $158 million if my memory serves me correctly. This is true.

We, the members of the Conservative party in this house, know that despite these claims agriculture in Canada is today facing what is probably its greatest financial crisis in the history of this country. In these circumstances we have, personally and as a party, refrained as much as we could from trying to take partisan advantage of the situation. We have sought to offer constructive suggestions in our speeches and in our questions we have attempted to ascertain the policy of the government in this field. In addition we have tried to take an active part in the work of the standing committee on agriculture.

In connection with the standing committee on agriculture I should like to point out that

invitations to attend its sittings were extended to all farm groups across the country as well as to members of other interested organizations. These invitations were eagerly accepted, presentations were made, and members of the committee asked searching questions. My only disappointment was that I felt the proceedings were terminated just as the committee was beginning to understand the difficulties of the dairy industry, just as it was beginning to understand the problems facing the sugar beet industry, just as members were beginning to form an idea as to the government's long term policy in connection with agricultural matters.

If conditions in the industry are so good and if the government contends that farmers have never had it so good, then why has there been such a rising tide of protest within the industry of late? What led thousands of farmers to march on this capital city? What is the reason for all these emergency meetings of farmers across this country? Why has there been so much talk in the news media about the threat of strikes and sympathy for strikes among the farm population? Why have provincial meetings been held with the encouragement of provincial ministers of agriculture in an attempt to see whether some of the problems facing the industry can be solved?

Having worked and lived among farmers all my life, and as a man who is proud to be one of them, I say that these extreme measures are taken by farmers only when the economic burden is greater than they can support. Farmers are not prone to draw publicity to their plight. They are men who would prefer to run their own affairs on businesslike lines and take their fair responsibility for the operations they carry on. This being so, protest marches and threats of strikes indicate beyond a doubt to anyone who cares to look that agriculture is indeed in a precarious position. In the few minutes allotted to me I should like to present a picture of the state of agriculture across this country, starting with the west.

Everyone thought that our extensive sales of grain and our long term contracts with countries abroad would place us in a position to export all the grain we could grow for years to come without any problems whatever, and that these tremendous sales of grain would provide a substantial economic cushion to the advantage of the government. But one has only to travel in the west today and witness the gloomy picture there to think otherwise. The discouragement felt by these farmers, whose granaries are bulging with first class produce, is evidence that something is drastically wrong in the prairie provinces. One has only to visit the machine dealers, the grocers, or those who make their living selling farm supplies, fertilizers and services, for confirmation of this impression. One has only to look at the files of accounts receivable to find out that all is not going well for grain farmers in the west today. In spite of snide remarks about southern vacations and Cadillacs, there are thousands of grain farmers who are worrying about how they will provide groceries for their families in the next few months. Farmers are more worried about meeting their commitments for fertilizer or financing next year's crop than they are about vacations, investments or anything else.

This is indeed a sad state of affairs considering that the farmers have in their granaries and on their farms the very equity which should provide the finances for their necessary operations. I say to this government: When you see farmers writhing under economic pressure, when you hear of emergency farm meetings and threats of strikes, the time to take action is immediately. I maintain that an entirely new approach should be taken in the west so as to advance the credit which these farmers need. I suggest that the present limits be examined carefully with a view to determining whether they cannot be extended. Cash advances to western farmers have never been a financial liability so far as I am aware. It is my experience that when these men have received money in advance they have been the first to meet their obligations as they came due.

• (4:10 p.m.)

The time has come to look again at the financial picture in the west. There are two things these farmers need. The first is immediate financing to tide them over and the second is increased sales so that they can finance their own business through movement of the wheat and other grain they have on their farms.

Moving a little farther east, let us look at the dairy picture. It is indeed true that the price of manufactured milk has increased. It is indeed true that this part of the dairy industry is better off than it was a year or two years ago. But, Mr. Speaker, this is far from utopia. There is something drastically wrong when we see so many cream depots

being shut down. There is something drastically wrong when we see so many cheese factories being shut down. There is something drastically wrong when local dairies are vanishing and are being replaced by amalgamated dairies. There is something dreadfully wrong when we see dairy herds being dispersed literally by the thousands.

The government can rightly say that dairy production is as high or higher now than it has ever been, but this is thanks to the farmers, not thanks to the government, because the farmers have increased their own efficiency, upgraded their cattle and used new techniques so that more milk can be produced with fewer cattle. However, this can only go so far. Efficiency of this kind can only block economic reverses to a degree. We will soon find ourselves in the position of a country that is no longer the producer of a vast surplus of dairy products but one which is hard-pressed to produce all its needs itself, if in fact we have not reached that stage already and are importing some of our dairy produce requirements.

What about the tobacco crop? This is of great importance to my province of Ontario and to a lesser degree to the province of Quebec. It brings in millions and millions of dollars of revenue each and every year. But what is the present position in the tobacco industry? Looking at the records we find that tobacco acreage has dropped steadily over the last ten years, both for burley and flue-cured tobacco. However, 1967 will show an increase in the number of acres planted, but anyone in the industry knows that this is due to the fact that Rhodesia, one of the main suppliers of tobacco to European markets, is no longer able to look after those markets as it normally would because of the trade sanctions in force against Rhodesia. Some of our tobacco crop is filling the gap, but we never know from day to day when trade in Rhodesian tobacco will open up once more and we may not be able to hold our present European markets. Those in the tobacco industry are not looking to the actions of this government with any keenness or enthusiasm.

What about cattle, hogs and sheep? In the cuts in expenditure which the government has announced for next year it is removing the subsidy on hogs and sheep. This subsidy is designed to encourage quality production and assists in increasing productivity. How in the world can we increase productivity when this subsidy is being removed, not at a time when the price of hogs is at the top but at a time when it is the lowest it has been for a number of years? If the government contemplated saving money through the removal of this subsidy it should have taken this step when prices were high and not at a time when the producers are encountering difficulty. This step, as a matter of fact, may deal the death blow to the sheep industry, much to the dismay of the manufacturers of Canadian wool and woollen products.

What about the fruit and vegetable industry? This industry is looking at the GATT treaty with a great deal of suspicion. It is suspicious when the government talks about freer trade among nations. Fruit and vegetable growers know that if the present small tariff protection in force against imports from other countries, chiefly our neighbour to the south, were to disappear much of the valuable Canadian fruit and vegetable industry would also disappear. We cannot compete in fruit and vegetables because of our geographical location and because of the fact that our crops come on the market at a time when overflows from the United States come in and take the major part of our own domestic market. Growers of spring lettuce, cantaloups, cauliflower, celery, greenhouse tomatoes and cucumbers are in a dire predicament today, and if the tariff protection disappears they also will disappear from the scene.

What about corn and soybeans? The price of corn is down drastically compared with what it was one year ago, and the same applies to soybeans. As a matter of fact the soybean association is pressing for a subsidized floor price for soybeans. This is the first time in years that the price of soybeans has dropped so much.

What about canning crops? They are in as dire straits as they have ever been. One may ask why. It is hard to say whether it is due to lack of policy on the part of the government or due to the policy of the government, but the fact remains that talk about a reduction in the tariffs on imports of canned fruits and vegetables and the rising costs of production in Canada have encouraged large Canadian companies to erect factories in other parts of the world where they can take advantage of lower labour costs, lower produce costs and lower production costs and then ship their goods back to Canada in a semi-manufactured or wholly manufactured state, much to the detriment of our own industries.

The government has to decide whether these industries should be retained in Canada and what methods it can use toward that end, whether it be by subsidy, tariff measures, quotas, or something else. A policy has to be determined. The agricultural industry cannot make long-range plans based on the policy announcements of this government. Farmers are not coming to the government seeking handouts. All they are asking is a political climate that will enable them to make a fair and equitable living on their own.

Farmers see announcements by labour unions involving wages of $2.50, $3, $3.50 or $4 per hour. They read announcements about parity with United States labour rates and as a result they wonder what is going to happen to themselves and to Canada. Will we become classed among the poor and the needy? Where is the farmers' status in the Canadian scheme of things?

Farming in Canada is undergoing tremendous changes. At present over 40 per cent of our farmers are part-time farmers. In order to educate and feed their families they must engage in other labour because they can no longer make enough money off the land. We must realize this fact and take steps to make it possible for them to take advantage of farm improvement loans in order to increase their own efficiency. Changes in legislation may be necessary to make it possible for farmers to get such loans even though a large part of their income at present may not be derived from agriculture.

• (4:20 p.m.)

The government has patted the farmers on the back for achieving increased efficiency and productivity, but each year farmers are getting farther and farther behind economically. There is no question that greater efficiency and increased production are being achieved. Production this year is up 9 per cent over last year. When one takes into account the reduction in the number of farms over the last 20 years one finds that during the last ten years the efficiency of the Canadian farmer has increased by 122 per cent. During that time the number of farms fell from 732,000 in 1941 to slightly more than 430,000 today. When we talk about the increased efficiency and increased production, let it be noted that in Ontario in the last ten years there was a 37 per cent increase in output with a 32 per cent decrease in farm workers on 5 per cent less land. I believe this is an efficiency of which the farmers can well be proud. There was a loss of over 100,000 farm labourers in the farm industry. The farm labour population in the last ten years has dropped from 13 per cent of the labour force to 7 per cent of the labour force.

What about the cash return to farmers? I found out that in 1964 total cash receipts for the farms of this nation were in the order of $3,500 million. In 1965 this figure had increased to $3,775 million, an increase of 8.2 per cent which was then a record high. But when we look into the situation we find that farmers last year borrowed $201 million in farm credit compared with $13 million ten years earlier. In farm improvement loans they borrowed $202 million. So in order to farm today they have extended their borrowings by $400 million.

When I speak of the total gross cash receipts of farmers today I should like to point out that I looked into something else. I asked the question, how was this achieved, and I found that in the period 1954 to 1958 the average investment of farmers in farm capital was approximately $10,679 million. I do not very often indulge in quoting statistics in my speeches, Mr. Speaker, but at this time I should like to give a little of the economic picture to show what is going on. By 1966 this investment had increased to $17,282 million or an increase, if my figures are correct, of approximately $6.5 billion. This was the increased investment of farmers in their holdings. How did their returns vary? In the period 1954 to 1958 the average net income per farm—and this is worthy of note—was $1,145 and in 1966 the average net income return per farm was $1,995, an increase of $850 in the net return per farm with an increased capital investment of $7 billion. If the average return per farm today is only $1,995, just think how poor a living farmers in the maritimes and the rural areas of Ontario and Quebec are making.

Canadian farmers talk about the cost-price squeeze. This is what they are fighting. This is what gets them up in arms. The cost-price squeeze means that their returns for what they sell are becoming less and less while their expenses become more and more. I looked into this problem. The figures to which I should like to refer appear on page 37 of a Department of Agriculture publication entitled Canadian Farm Economics. These facts and figures are interesting indeed. I should like to refer to the indices by which the increase or decrease in the economic returns today are measured

because they show why the farmers are in trouble today.

First of all I should like to refer to the index of prices received by farmers, using the two years 1947 and 1967 and based on a 1935-39 index figure of 100. The 1947 index figure for prices received by farmers was 215.8. This is the value of the prices received. In 1967 it had increased to 286.6, or an increase of 61 points. Therefore the prices index figure for farm goods increased by 61 points.

Now let us look at the other side of the ledger. What about the increase in the prices of what the farmer buys? Let us take farm machinery. Using the two basic years we find that in 1947 the index for farm machinery was 126.3 but that in 1967 it was 302.8, an increase of 176.5. What about taxes and interest rates? From a low of 125 in 1947, by 1967, 20 years later, the index figure had gone up to 147. Here is the factor which really gets the farmers into trouble. Using the 1947 index for farm labour of 341 we find that in April, 1967 the index stood at 873.3, an increase of over 500 points. This gives an indication of what is troubling the farmers today. It is just a simple matter of less returns on more money invested with a definite downturn in the economic return.

The farmers are looking for guidance, not handouts from the government. They want to know what the government intends to do to cope with the situation which has developed across Canada today. In 1963 this government promised the people of Canada a definite sugar policy. It was to be one of the first actions of the government in regard to agriculture. How prophetic they have been. If in the near future they do announce a sugar policy for Canada, it will indeed be the first government action on behalf of the farmers of this country. Not only have they not announced a sugar policy as promised but they had the temerity in 1965 to tell the farmers they already had one and did not know it.

Why do we have this lack of stability in respect of the farm picture today? I think it is because the farmers across this nation feel that the government does not take a practical approach to their problems and that everything is calculated strictly on the political approach of how many votes will it get. If it does not add up on the right side of the ledger, then there is no help.

It would appear that the government does not have enough basic facts to enable it to make firm decisions. I might point out a concrete example of this. Let us take the dairy industry and ask ourselves how the farmers can have a long-range policy when the government in three years has had three national dairy policies. How can they formulate a long-range policy when faced with something like that? When this government makes an error like this it draws within its shell and there is no further action for months and months.

If there is anything we can criticize the government for it is its procrastination. After five years in office the government has made no attempt to solve the basic problems which face the agricultural community. This is indeed unfortunate because the government is backed up by perhaps one of the finest agricultural bureaux in the world today but one which is hamstrung through lack of direction. There are 11,000 employees in the Department of Agriculture and it costs the taxpayers of this country $72 million per year to pay the wages of these specialists. The taxpayers, particularly the farmers, are beginning to ask what they are receiving for this money.

• (4:30 p.m.)

The Acting Speaker (Mr. Rinfret): Order, please. I regret to interrupt the hon. member but his allotted time has now expired.

Mr. Danforth: Mr. Speaker, I ask for the indulgence of hon. members. I believe I can conclude in two minutes.

The Acting Speaker (Mr. Rinfret): Does the hon. member have the unanimous consent of the house to continue his speech?

Some hon. Members: Agreed.

Mr. Danforth: Thank you, Mr. Speaker, and I wish to thank hon. members for their indulgence.

In conclusion I say that the farmers of this country are worried today because the government does not appear to have the answers to these problems. In fact, there seems to be ample proof that the government does not even know what the problems are. The government has established a national dairy commission to find out what is wrong in the dairy industry. It has established a national feed grain commission to find out what is wrong in this area. The government has appointed a task force in respect of agriculture to decide what the long-range policy should be. It has also set up a commission on

farm machinery prices to study increased prices for farm machinery. The farmers want action. As the hon. member who preceded me said, we have all these commissions and studies but we have no action.

One of the basic mistakes the government made was to split the Department of Agriculture under so many heads including the eastern agricultural administration, the Minister of Forestry and Rural Development (Mr. Sauvé), the Minister of Trade and Commerce (Mr. Winters), and the Minister of Transport (Mr. Hellyer), who is concerned with the transportation of grain. We are now going to have a new minister of consumer affairs who will be dealing with prices. The department has been split up to such a degree that the farmers are becoming sick and tired. The Minister of Agriculture (Mr. Greene) has been reduced to nothing but a purveyor of Liberal propaganda instead of the minister responsible for deciding government policy in respect of agriculture.

In view of all these circumstances, Mr. Speaker, the farmers of Canada have no alternative but to request us to do everything we can to remove this government from office.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to take the opportunity the budget debate provides to make a few comments about the proposed tax structure amendments we hope will be coming before the house within the next few weeks. The reason I should like to comment on this matter at this time is that in my opinion some damage has been done to the economic plans for development in certain parts of the country as a result of the misconception, if that is the word, which surrounded the royal commission on taxation shortly after its recommendations were made public.

Its recommendations suggested a number of profound changes in our tax structure. Indeed, I think it would be fair to say that the acceptance of its recommendations would involve a completely new tax structure compared with the one in existence today. This proposal caused some uncertainty in the minds of those who plan for industrial and commercial development because it wrongly presumes, in my view, that the recommendations of the Carter commission should be the nucleus around which the new tax structure should be built.

I am grateful to the Minister of Finance (Mr. Sharp) for inviting comments from interested groups all over Canada on the Carter recommendations? We are also grateful that he made it clear in his speech to the house several weeks ago that the government intends to produce a white paper outlining government policy and that the report of the royal commission would be a useful document but not necessarily the basis upon which government policy would be built.

Having said that, let me hasten to add that there are many good and perhaps ingenious suggestions in the Carter commission report. It is not, however, the beginning and the end of all the amendments required in our tax structure. Whether or not one agrees or disagrees with what the royal commission recommended, there are some areas where insufficient study has been made or at least insufficient attention has been paid to recommendations in respect of equalization of the tax base or contributions. There are suggestions in other areas which are so far reaching it is difficult, indeed impossible, to anticipate the results of their application to tax law. As the Minister of Finance said several days ago in the house, it is unwise for any government to attempt to apply laws when it is impossible to anticipate the results with some accuracy. This is particularly true of tax law because it is so vital to the growth of industry and commerce and to the welfare of Canadians generally.

In looking at the whole matter in what I hope is an objective way I suggest that members of parliament should be concerned about drawing the attention of the minister to inequities, loopholes and injustices of all kinds which exist in our present tax structure. Perhaps they should also make suggestions as to ways and means of correcting these inequities and injustices. It is not my belief that we can suddenly reach a point at which we can set aside everything we have followed over the years and introduce a completely new concept. We must move gradually in this field.

Those of us who have taken some time to study the Carter commission report will recognize that the original suggestion was that this new concept must be accepted in total or rejected in total. I suggest that view is unacceptable. There are some recommendations which ought to be accepted but certainly we should not accept the whole package. I am pleased to note that there has been some retraction of the assertion that we must accept the whole package or leave it alone.

• (4:40 p.m.)

One of the reasons which make the Carter concept objectionable concerns the complexity which would be involved in the keeping of the necessary accounts in order to report to the Department of National Revenue. I should like to quote from the Montreal *Gazette* of Tuesday, November 21, which contains a report of a meeting of the Canadian Institute of Chartered Accountants held in Montreal. The report is entitled "Carter Too Complex". Here is what was said with reference to the Carter report:

> We foresee great difficulties in the administration of a system which depends for its success on the willingness of all citizens to maintain full records of their financial transactions.

I should like to say that one of the greatest objections that farmers raised when I met them recently concerns the accounting they must do not only for income tax purposes but for the Canada Pension Plan, the Unemployment Insurance Commission, and all the other agencies which demand statistics and figures with regard to the operation of individual farms and ranches. If accounting on an accrual basis rather than on a cash basis were introduced, as suggested in the Carter report, the complexity of accounts which farmers must keep would be increased. I suggest that regardless of whether or not the amount of taxation would be greater there would be a great deal of resentment simply because of the increased complexity in reporting income.

I suggest also that we consider some other suggestions of the Carter commission. I believe that farmers would also resent the recommendation of the commission with regard to capital gains. For example, if there were to be only a once in a lifetime allowance of $25,000 on capital gains which could be transferred from father to son or to some other member of the family, it would be the end of many farms. Let us say an arbitrary figure would be set as to the value of the farm and all the assets attached to it based on market conditions or the market for land in the immediate area. The result would be that the farmer and his family, with the exception of the $25,000 exemption, would be forced to raise the income tax in cash based on the regular income tax rates. Farmers would have to sell a large portion of their land to meet the cash requirements of such a tax.

Another recommendation made by the Carter commission concerns the integration of family income, which might be a little easier to apply to farmers than to others. But even this would be extremely difficult and I suggest that on these grounds alone this recommendation would be rejected by the farming community.

I should now like to say a word concerning the royal commission's recommendations with respect to resource development industries. One thing we must realize is that a great deal of the important resource development in Canada is undertaken by companies which are active on an international scale. In other words, the creation of a large measure of employment for Canadians is based on capital which could just as easily be spent in some other part of the world where the competition or the risk factors involved might be smaller. This is particularly true of the petroleum industry, but I suggest it is also true of many other resource development industries.

As is suggested by the royal commission on taxation, it is not a question of whether certain capital is invested in petroleum, copper mining or iron mining but whether it will remain in Canada and be invested in risk development or whether it will be used for essentially the same kind of development in other parts of the world. In other words, it is not a question of whether $100 million, for instance, is invested in the petroleum industry or in some other industry in Canada but whether or not the money remains in Canada, because unfavourable taxation structures in Canada might induce a particular company to use its $100 million for risk exploration and development in the same industry in some other part of the world. Throughout the years Canada has been known as an attractive place for petroleum investment and exploration, not because there is a lower risk factor involved here or a lower cost of development but because there has been a better political climate in Canada than elsewhere. So the safety of the investment, if it proves profitable, has been considered far higher in Canada than in most other parts of the world.

I suggest we should consider our taxation law and structure with regard to resource development and we must also consider the relationship between our laws and, for example, those of the United States. There is concern in Canada today about the equity of Canadian ownership in Canadian industry. I suggest that if our laws with regard to resource development companies differ from

the laws in other countries, particularly from those in the United States, and if our investors find themselves at a disadvantage in comparison with investors in the United States, the result will be to increase foreign ownership rather than to reduce it. I believe we must be very careful to make sure that our laws make it as easy or even easier for Canadian companies to take the risk to develop our natural resources than it is for foreign companies investing in Canada. If we were to do away with some of the taxation laws now applicable to resource development such as depletion allowances and so on, there would be a great possibility that foreign investors might be given an advantage over Canadian investors in developing Canada's natural resources.

I have already mentioned the complications involved in accounting on an accrual basis. I should now like to speak about the averaging of income which is one of the main recommendations of the Carter commission. I think this is essential in so far as agriculture is concerned because of the extreme changes from one year to the next in the amount of income tax which farmers must pay depending on market conditions and so on. In fact, this is one point on which I am in a large measure of agreement with the commission's recommendations. In my view many other taxpayers should also have the opportunity to average their income if they choose to do so. This opportunity should be available to commission salesmen and, so far as I am concerned, to every other taxpayer who is not on a fixed income or a predetermined salary who is in fact dependent upon business and market conditions so far as his income level in any one year is concerned. I feel that there are some injustices. Such a person is required to pay a substantially higher rate of income tax in a good year and then immediately after he may have a bad year. If he could average his income over the two years there would be more justice obtained. I hope the Minister of Finance will accept that recommendation.

• (4:50 p.m.)

Another area in which I find I am in some agreement with the royal commission report concerns making the regulations tough in so far as expense account deductions are concerned. I think there should be an upper limit on what can be charged as deductions for expenses for travelling, entertainment and so on. I know that these regulations have in fact been tightened up recently but more tightening needs to be done. Apparently the royal commission looked into this subject rather thoroughly and decided that more tightening up was necessary. I agree with that.

In so far as the integration of family income is concerned, I cannot see any practical way of implementing that recommendation. There may be a way of sharing household expenses, the cost of groceries or of maintaining the home, but how this recommendation could be applied with justice is beyond my comprehension, even though I have read in some detail the background material in this regard. I think the integration of family income for taxation purposes should be rejected.

Then there is the matter of capital gains. I pointed out that there would be very serious problems in connection with the transfer of farms within a family if Mr. Carter's recommendation were accepted. Small businesses would also have exactly the same kind of problem because they would be required to find cash for the taxation of assets the value of which was set arbitrarily by a tax assessor. I believe, that this kind of application of a capital gains tax and transferring to income should be rejected so far as small businesses are concerned as well as agriculture. However, having said that I think there is a case that can be made for some form of capital gains tax. I do not believe that it should be at the same level as the regular income tax, nor do I believe that it could be calculated in exactly the same way. I believe that we should look a little further into the application of a capital gains tax because in my view there is some justification for establishing such a tax as a source of revenue for the federal government.

Another matter that I think needs to be corrected has to do with expenses related to the earning of wages or salaries. We know that mechanics, for example, as well as other people, absolutely must have a set of tools if they are going to earn any income. However, the expense connected with the purchase of these tools cannot be deducted for income tax purposes. In my view this is unjust and I feel some changes should be made. There are also people on salaries or hourly rates who may have travelling expenses connected with their work which at the present time are not deductible. These expenses are essential to the earning of the income. I feel that some amendment should be made to the tax laws to take into accounnt expenses which are essential to the earning of the income. I think

the same set of criteria could be laid down for wage earners in this regard as for those who are self-employed. We know that in so far as the self-employed are concerned such expenses can legitimately be deducted as part of the cost involved in earning their income. I see no reason why this provision cannot be applied to wage or salary earners as well.

I do not want to detain the house much longer. I hope that every member of parliament on both sides of the house will join with me in bringing to the Canadian people the idea that new tax amendments are not going to be centred around the Carter report. There are certain points that commission has not dealt with which need to be dealt with. There are other recommendations which go completely beyond what is practical of application. Perhaps the report of this latest royal commission provides us with another great lesson about the value and effectiveness of commissions. I say to hon. members that we have had far too many royal commissions recently which have spent hundreds of thousands of dollars and taken a lot of time while essential changes in the law have been postponed awaiting their reports. Then we have found that a second inquiry by the members of this house has been needed to come to grips with the original problem. I might refer to the MacPherson commission on transportation which was appointed in 1958. They did a good job in making inquiries but even after they had reported it was several years before the house was able to agree on a new transportation policy. And I am not so sure that the new policy is acceptable to all the Canadian people.

• (5:00 p.m.)

I suggest that another outstanding example is the joint committee on consumer affairs which studied that question in detail. Whether or not the new department of corporate and consumer affairs is going to be of great service to the Canadian people, the fact is that the legislation was introduced after the subject matter had been referred to a joint committee of this house and the Senate and reported upon. The report was accepted by the government and legislation was introduced. The treatment of this subject is substantially different from what happened in the case of the royal commission on transportation. Transportation problems have been crying for solution as far back as 1960 and yet nothing was done until 1966. The royal commission on taxation was appointed many years ago and substantial amendments to the tax laws have been postponed awaiting its report. You see, Mr. Speaker, if members are going to do their job they need to be familiar with the backgrounds of these royal commission reports. That can be achieved just as easily by setting up a committee and calling the same experts before that committee to testify. When the stage is reached to make a report, with or without recommendations, the members of that committee are then familiar with the background and it is those same members who ultimately have to make the decision.

Therefore, Mr. Speaker, I think there is a great advantage in making far greater use of the committees of this house instead of sending these complex matters to royal commissions. Far too many of them are impractical from the point of view of politics—and I use that word in the very best sense. Politicians, politics and political policies can only go as far as the people will allow them to go at any given time. You can give leadership, but to try suddenly to change the practical application of the law on the basis of some of these ivory tower surveys is just not practical. Therefore millions of dollars and a great deal of valuable time are wasted in trying to arrive at solutions in this manner. So I hope that in the future the government will refer even complex matters to committees for recommendation and report because I am convinced that far more practical recommendations will be made by this method and at far less expense to the Canadian people.

A white paper setting forth the government's policy is going to be introduced very soon, we hope. It is not fair to suggest that the Carter commission report will be completely rejected. But let us be fair about this, Mr. Speaker. We know that the government is going to have to deal with exactly the same matters that were referred to the royal commission on taxation.

The Acting Speaker (Mr. Tardif): Order. I regret to interrupt the hon. gentleman but the time allotted to him has now expired.

Mr. Erik Nielsen (Yukon): This government, Mr. Speaker, is dishonest.

Mr. Winters: Oh, oh.

Mr. Nielsen: I am not alone in believing that this government is dishonest. No less an authority than the chairman of the board of the Canadian Imperial Bank of Commerce used a like term when he referred to the economic condition that confronts the country as a result of the government's mismanagement as a massive swindle. The minister

has tried to hoodwink the Canadian people into believing that the government was confronted with a unique, new and therefore urgent situation which had to be met by the measures which he has included in his budget.

Mr. Sharp: There is the same general economic condition around the world.

Mr. Nielsen: The minister says there is the same general economic condition around the world. The minister remembers as well as I do that he saw it coming and made statements to this effect, as did the Prime Minister (Mr. Pearson), over the last two years. But when he tries to have us believe both here and across the land that this is a new situation, at this point I say he is endeavouring to hoodwink the Canadian people.

Mr. Sharp: Oh well, perhaps that is your opinion.

Mr. Nielsen: He thinks they are gullible enough to swallow this. The government goes further, cuts estimates one year ahead, and then asks the public to believe that this is going to result in substantial savings and will somehow solve the economic problems that confront the people.

I am going to refer to one or two things that the Minister of Finance (Mr. Sharp) has said in the past. He asks us to believe that this is a new situation, that an increase in personal income taxes is now necessary because the country is faced with an economic situation that could not be foreseen. The Prime Minister said at Orillia as long ago as October 13, 1965, as reported in the Ottawa *Journal* for the next day:

> —economic problems such as inflation would require firm action by a strong central government.

This was said, of course, during an election campaign.

> Every time there is a major expansion in the economy the threat of severe inflation is inevitable. Steps must be taken, boldly and decisively, to guard against inflation, otherwise it could destroy the benefits of the boom.

When the Prime Minister was addressing a Liberal party campaign luncheon in Ottawa on September 21, 1965 he had this to say:

> New programs are being prepared to assure not only that growth will continue but that its benefits will be spread among all Canadians and that the dangers of inflationary pressures and rising costs that are a part of any great expansion are contained...
>
> Our objective is to have full medicare in operation on Canada's 100th birthday, July 1, 1967.

[Mr. Nielsen.]

So much for the campaign, Mr. Speaker. As we all know, medicare became law. The legislation was passed by parliament and the target date was July 1, 1967. This date would have been met had it not been for increased inflationary pressures which caused the government to postpone it. The government's stand today is that there will be no further delay. The President of the Privy Council (Mr. Gordon) put it this way in a recent speech in Toronto:

> We are going to have medicare by July 1, 1968, no ifs, ands or buts.

Here we are, Mr. Speaker, faced with the absolutely adamant stand now being taken by the government. Knowing full well the extent of the serious financial situation which they have created they are trying to shift the blame for their own irresponsible behaviour to the provinces. This, sir, is a government that has been in the hole more often than a grave digger. They have that rare gift for instant decision which is heading the country into bankruptcy. They knew as long ago as 1965 that financial problems were on the way.

How did they meet these problems, Mr. Speaker? Where was their planning? Where was the system of spending priorities that should have been established? What evidence exists as to plans to meet the critical housing situation that is now upon us and which was forecast by the economic council? If we are to take any hope from the background papers that were made available to members today at the outset of the conference now under way between the government and the provinces, there is not much expectation of any solution from these discussions.

What about the meteoric rise in the cost of living, Mr. Speaker? Remember the government's 1965 campaign advertising? The propaganda then was that the Liberals had all the answers. Where are those answers? Indeed, sir, I believe that this government has a difficulty for every solution. As I have said before and say again, whenever a problem arises they say that a study will be made, that a paper is being prepared on the matter, that it will be considered in due course—they are a "due course" government—or that a task force will deal with the matter. What their image-makers are endeavouring to accomplish is to create the picture in the public's mind that all of these enemies of the people—inflation, high living costs, lack of housing and high taxes—are rearing their ugly heads without their knowledge, of course,

and that the government, like a knight of old in shining armour, will ride them down and slay them with the aid of their task forces. The truth of the matter is that this Liberal government, because of its lack of discipline, its lack of organizational ability and its penchant for mismanagement, is an absolute failure. In fact, it even gives failure a bad name. Members of this government never make the same mistake twice; I will say that for them. Every day, it seems to me, they find fresh mistakes to make.

• (5:10 p.m.)

The policy of the Liberal government has been to introduce ad hoc measures. It meets situations as they arise. It panics, and it chops and changes. Invariably, instead of following a consistent and carefully planned program designed to pace Canada at an even rate of economic expansion, the government reacts by bringing in measures of short term expediency. What is the result? Everyone in this country faces higher costs, increased taxes, higher prices, increased interest rates, inflation, a critical housing situation and general uneasiness, all problems which have arisen because of the policies or lack of policies of this government.

One would think that the Minister of Finance would make an attempt to level with us, especially since his government finds itself in its present mess. But does he do that? He does not. He tries to have the people believe that the country faces a unique situation. He is astounded because we have tight money and inflation at the same time. I think that the Minister of Finance is perhaps too busy trying to maintain his personal position as one of the front-runners in the Liberal leadership contest, which the Prime Minister tells us every day is not about to be waged. The Minister of Finance is supposed to control the purse strings of the federal treasury. Because of the way he manages money, sir, confidentially, it shrinks. Our money is worth less today; it will buy less than ever before in our history.

The most astounding part of this whole, sorry mess is that the Prime Minister, the Minister of Finance and the government had ample warning. They were all aware of what was happening from the beginning. I cannot refrain from interpolating at this point that I have discovered the real reason for the quarrel between the Minister of Indian Affairs and Northern Development (Mr. Laing) and the Secretary of State (Miss LaMarsh). It hinged on the promise of $3.5 million to be made available to the constituency of Niagara Falls.

One expects leadership from the Prime Minister but obviously he is not giving it. Indeed, it is my observation that the Prime Minister is about as necessary to this government as a fence around a cemetery. The Minister of Finance deluded himself, which seems to be easy for him, with false hopes that all would be well. But he was in the position that he could not impress on the cabinet the need for action and therefore he could not impose the required measures. Under the circumstances he has persistently shut his eyes to the fact that inflation is getting worse and worse, that high prices are undermining economic growth and that the expenditures of the government are adding fuel to the fire.

The government has been and is now all sail and no anchor. On June 1 of this year the Minister of Finance, as recorded on page 860 of *Hansard,* said:

> By December the economic situation had improved, the rate of expansion in demand had clearly moderated and it did not appear necessary to introduce further measures of fiscal restraint.

Those words were spoken less than six months ago. Now, almost six months later, the country is faced with acute inflationary tendencies. Inflation is still sweeping the country. The Minister of Finance has been forced to impose a third tax increase in three years in order to pay for the government's immoderate expenditures. The government has been warned by those in the money markets that it can no longer borrow with ease and that anxiety and uncertainty are rampant in the country. What plans has the government, apart from hitting the taxpayer again and again, for dealing with the mess it has created? So far as constructive ideas and planning are concerned the members of the Liberal government grope like blind men. This Liberal government, which in 1965 had all the answers, is as broke as a pickpocket in a nudist colony. The only time members of the government know where they are going is after they have taken castor oil. Their conduct is such that they no longer have the confidence of the majority of Canadians.

Mr. Laing: You are embarrassing the members on your own side with that kind of language.

Mr. Nielsen: The minister says that I am embarrassing the members on my side of the house.

Mr. Laing: Yes. That is awful.

Mr. Matheson: Everybody in parliament is embarrassed.

Mr. Nielsen: If the minister would try to exercise some responsibility in his own portfolio he would not embarrass himself and his government, as he is now doing in the whole of northern Canada.

Mr. Laing: Will the hon. member tell us what is going on in the Yukon today?

Mr. Nielsen: I can tell the minister what is going on. The Minister of Transport went up there to address a public meeting and ten people turned up to meet him. When the name of the Minister of Indian Affairs and Northern Development was mentioned those at the meeting booed. That is the regard in which the policies of this government are held in the north.

Mr. Laing: We shall see about that.

Mr. Nielsen: We shall see about that. I am sure that the Minister of Transport must have told the Minister of Indian Affairs and Northern Development about the regard in which the government is held by those in the north. If he is honest with himself he will know that I wish to help him.

Mr. Laing: Well now, this is different.

Mr. Nielsen: I want to see the minister back on the rails and I want to see him adopt the policies which were initially developed to help the people of the north.

Mr. Laing: I have had the hon. member's help in the past.

Mr. Nielsen: When election time comes I shall not help the minister. Between elections my job here is to assist in bringing about creative policies for the north.

Some hon. Members: Oh, oh.

Mr. Nielsen: I will tell the minister one thing. I have never spoken at a public meeting in the Yukon and been booed.

An hon. Member: Oh, oh.

Mr. Nielsen: The government is giving the country vague and evasive answers and those who sit on this side of the house are forced to the conclusion that the government is deliberately avoiding answers to questions. One thing is certain. Whether or not my words embarrass members on this side, no one can call the Liberals cheap politicians. Look at what they are costing the taxpayers. I believe that the people of Canada are beginning to recognize this government for what it is and perhaps for what it is not.

On November 1 the governor of the Bank of Canada said in Winnipeg that the central and supreme fact of economic life in this country is inflation. He also said that this government has contributed to that inflation by its extraordinary and premeditated demands on the money market in its haste to be all things to all people. Yet last June the Minister of Finance said that in the present economic circumstances—he was speaking of the circumstances as they then existed—he no longer wished to restrain capital expenditures. That statement was made last June, six months ago. It was made in the course of a budget debate, and because it was made on that occasion it was the policy of the government not to restrain capital expenditures. I mention this because the minister's halo of martyrdom is wearing a little thin.

• (5:20 p.m.)

Speaking in the supply debate on November 20 the minister stated, with that great humility of which he is so capable:

> I have been the one in this country who has recognized this problem more quickly than the Leader of the Opposition and more quickly than anybody else in this house.

Well, if he did recognize it in 1965, as I am sure he did, why did he and his colleagues not do something about it?

Some hon. Members: Hear, hear.

Mr. Nielsen: It is precisely this holier than thou attitude which makes the minister's position so indefensible. He may have recognized the situation more quickly than anybody else, but last June he was saying that further measures of restraint were not necessary and that the government no longer wished to restrain capital expenditures. Those were his words and he cannot get away from them. They were made in the course of a budget speech and they therefore represent government policy, just as it is the deliberate policy of the government to let Canadians pay through unemployment and high taxes for its own fiscal immoderation. I will refer to this in detail.

This is a stereophonic government, Mr. Speaker, talking out of both sides of its mouth at the same time. Here is something else which may embarrass hon. members opposite: I believe this government has just

about as much conscience as a fox in a chicken farm.

The Minister of Finance (Mr. Sharp) took exception to what the Leader of the Opposition said in a debate on October 4 last in connection with the necessity of allowing slack to develop in the economy as a deliberate part of government policy. When the Minister of Finance referred to "slack" in his speech he meant unemployment. The minister tried to backpedal when he recognized the disastrous implications of his statement but he was unable to do so. This is what he said as reported on page 2809 of *Hansard*:

> It has been a really quite successful transition except for one thing, Mr. Speaker, and that is that the rate of increase in costs and prices is still much too high. I feel that we must—and we will—find some way to bring this inflationary movement under control even, if necessary, by letting the economy develop a little more slack for a year or two while price and cost increases taper off. We would certainly prefer to avoid the sacrifices of production and income which this would, of course, involve, but if we cannot collectively and individually exercise the restraint that is called for in wage and price increases in the present situation, then there would appear to be no escape from an essential cooling off period.

The only possible interpretation here is that as a matter of deliberate government policy there is to be a slackening in economic growth and an increase in unemployment. Indeed, the increase is upon us since approximately 5 per cent of the labour force is at present unemployed. Yet these are the same hon. gentlemen who, when in opposition, wrung their hands and cried havoc for two years while the former Conservative government was wrestling with the unemployment created by its Liberal predecessor.

Talk about hypocrisy. This sort of attitude is as hypocrytical as a funeral director trying to look sad at a $10,000 funeral. The fact is that we overcame the unemployment left by the Liberals. Now hon. members opposite are deliberately creating it again. I repeat what the Leader of the Opposition said on the occasion of his participation in the debate to which I have already referred: We will not accept that kind of policy. My hon. friend went on to say:

> —surely there is some more civilized way of achieving price stability than by slowing down the economy and deliberately increasing unemployment.

Certainly there are more civilized policies which could be followed. The economic council has put forward certain recommendations, Here again the minister and his colleagues, who were so harshly critical of the former Conservative government for not following advice, take a most peculiar attitude toward the recommendations of the council. Remember, this is a body which the government itself set up; it was a brainchild of the Prime Minister. The Minister of Finance now tells us he cannot see his way clear to accepting its advice. He found that the views, of the council were pessimistic. As a matter of fact, the views of the council were, if anything, optimistic. The council wanted the minister to fly by instruments; instead he is flying by the seat of his pants. These are the harsh, simple realities. Painful though it may be to advert to them, it must be done.

Unemployment is running at 5 per cent of the labour force in spite of a drop in the labour force. Lay-offs are taking place all across the country. Where does this lead the man we so often hear described by the hon. member for Verdun (Mr. Mackasey) as "the guy with the lunch bucket"? The Prime Minister and the Minister of Finance tell us everything is fine. The Minister of Finance is an incurable optimist. If he fell from a skyscraper he would say, passing the 30th floor: So far, so good.

In the meantime the cost of living continues to increase. Taxes go up and will go up again next year. Every time we look the other way another department is added to an already bloated administrative machine and another minister to the cabinet payroll. There are 28 of them now, I believe. The number of persons employed in the civil service increases at the rate of 1,000 a month. The Minister of National Revenue (Mr. Benson) optimistically says he hopes to limit the additions to 5,000, with 2,000 going immediately to the post office. What a hope!

As has been said so many times during this debate, the government has indeed lost the confidence of the people of this country. It has certainly lost the confidence of members on this side of the house, and if members on the other side did not allow their partisanship to blind them they would support the amendment which is to be voted on this evening.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I did not choose this place in the order of speakers which allows me to take part in the debate right after the hon. member for Yukon (Mr. Nielsen) and, moreover, I have no intention of answering him, because it is not my practice to make partisan speeches.

I will not begin my speech by accusing the opposition with being dishonest, because I do not think it is, no more than the hon. member for Yukon believes that the government is dishonest. I am convinced that it is possible in this house to have discussion without accusing one another of dishonesty, and to raise the level of speeches.

Some hon. Members: Hear, hear.

• (5:30 p.m.)

[*English*]

Mr. Côté (Longueuil): I must take this occasion, Mr. Speaker, to refer to the post office resolution which was defeated during this session. From my association with the members of all parties in the house I feel certain that its rejection was not a personal attack on me or on my administration of the Canadian post office. Hon. members have received much evidence over the last few years to demonstrate that nothing I would do in regard to the Canadian post office, nothing I would do in regard to this chamber, and nothing I would do in regard to our country itself would ever be undertaken in a frivolous manner. Anything I have proposed, said or backed I have believed in sincerely, Mr. Speaker. I believed in the postal resolution which was defeated, and because I believe and because I recognize my responsibilities I want to inform hon. members that, like MacArthur at Bataan, I will be back.

[*Translation*]

Mr. Speaker, before this resolution is presented again, I would like to deal with several points which would have been considered if that important legislation had survived.

The Glassco commission recommended an improved accounting system for the Post Office Department. It was meant to include in the budget of the Post Office Department—

Mr. Lambert: Mr. Speaker, the hon. member is out of order because the fate of that resolution has already been settled.

Mr. Côté (Longueuil): I know, Mr. Speaker, that the house has reached a decision regarding that resolution, but I can still talk about the Post Office Department in this house.

I was saying that this new accounting system was designed to include in the budget of the Post Office Department all expenditures incurred by other departments and government agencies. It has been adopted and has dispelled forever the illusion that our budget was always well balanced.

[Mr. Côté (Longueuil).]

A recommendation of the Glassco commission was immediately replaced by another. After setting down the operating costs, a new system was established to breakdown these costs into the various classes of mail. The system was established through the most modern techniques of statistical sampling, added to all possible variations affecting the handling of the various classes of mail.

The results achieved met exactly the wishes of the Glassco commission. In the Post Office Department, we now know the cost of handling each class of mail. We also know how the rates should be changed so that each class of mail may cover its own costs.

As I said, Mr. Speaker, the implementation of these two Glassco commission recommendations did away with this dream of a balanced budget with ten-year-old rates.

First class mail rates were increased in 1954. Thirteen long years later, we are considering a new increase. Even without a thorough knowledge of the most modern administrative technique, anyone of us can conclude that rates established in 1954 are obsolete in 1967, unless everything has remained at the same point, such as the mail volume, the number of employees required, the salary levels and the requirements of the service.

For the last part of the fiscal year 1967-68, the handling cost of first class mail will exceed anticipated revenues for that class of mail.

Mr. Lambert: On a point of order, Mr. Speaker. I deeply regret to interrupt the hon. minister, but he is apparently bringing forward the arguments which he should have raised the other evening and which are directly related to the resolution which he introduced. If he wants to deal with the general administration of his department, we are willing to let him do so, but frankly, Mr. Speaker, I feel that the hon. minister is now out of order.

Mr. Côté (Longueuil): Mr. Speaker, on the point of order, I am now discussing the general administration of the department and as administration is based on revenues and expenditures, I suggest that this is essential, since the department has the most substantial revenues within the government and if the Post Office Department is to be dealt with, it is necessary to refer to its revenues.

Mr. Lambert: But, Mr. Speaker, the minister should not be allowed to use the back door if he has been forbidden to enter through the front door.

Mr. Côté (Longueuil): Mr. Speaker, I am not submitting a resolution to the house at this time. I am not trying to do by the back door what I could not do by the front door. This is only a speech on the budget and I think this occasion is very important, Mr. Speaker, because we can discuss the revenues and the expenses of the government.

[*English*]

Mr. Nasserden: On the point of order, Mr. Speaker, I believe that the Postmaster General at the beginning of his remarks was actually reflecting on a decision already taken by the house.

Mr. Byrne: You did not raise the point of order then.

Mr. Nasserden: It is still a point of order. What he has been saying since is substantiating the accusation he made at that time and so is part of the original reflection on a decision already taken by the house.

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I never accused anyone. I simply took my responsibilities, and if the resolution was not passed, as I said at the outset of my remarks, that did not reflect on anyone. I never accused the opposition of anything, and I can take my own responsibilities.

[*English*]

Mr. Deputy Speaker: Order. When the Postmaster General was making his remarks earlier I did not interpret them as being a reflection on a vote of the house and I am sure he did not intend them to be so. However, I should say to him that we are engaged in the budget debate and I am sure he will confine his remarks to the financial matters that are before the house.

Mr. Côté (Longueuil): That is exactly what I am trying to do, Mr. Speaker.

[*Translation*]

For the last part of the 1967-68 fiscal year handling costs will exceed anticipated revenues for first-class mail. Our figures—I mean our forecast for first-class mail, in 1968-69, except for international airmail—show a $17 million deficit. Those figures apply to the cost of handling letters and indicate that cost will exceed anticipated revenues at the present rates. The total deficit foreseen for 1968-69, on the basis of the present rates, is $96 million and we want to reduce it to $55 million.

So, Mr. Speaker, I submit that it was with a full knowledge of the facts, that that resolution was worked out and introduced in the house. I knew, at the time, that it would not be a popular move, but I also knew where my duty and my responsibilities lay—

[*English*]

Mr. Churchill: Mr. Speaker, I rise on a point of order. Twice your attention has been called to this minister using the device of the budget debate to make excuses for the failure of his presentation of a resolution which the house defeated some time ago. I think this is quite contrary to the rules. He is now debating a matter which was debated and settled by the house. A decision was reached with regard to it and he should not be raising it again now.

• (5:40 p.m.)

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, every time the Postmaster General brings his estimates or any proposal before the house, he is always asked for additional information.

Members want to know why the Post Office Department had 41,000 employees in 1962-63 and has 48,000 in 1967-68. They also want to know why it was possible to balance the budget in 1962-63, whereas a $96 million deficit is anticipated in 1968-69.

Mr. Speaker, in my opinion, it is very important for all members, on either side of the house, to obtain as much information as possible.

I said at the outset that I only had myself to blame if the resolution was rejected by the house.

Mr. Lambert: Do not talk about that resolution.

Mr. Côté (Longueuil): You are the one who is talking about it, not me.

Mr. Lambert: No, it is the minister who is referring to it, Mr. Speaker.

[*English*]

Mr. Churchill: The government house leader should have helped you out but he was asleep too.

Mr. Côté (Longueuil): No, Mr. Speaker; I take the responsibility for that.

[*Translation*]

I must first answer for my duties and my responsibilities.

Therefore, as I said at the outset, the resolution which I submitted was quite justified, and I think it will be submitted again at the very beginning of the next session, so that we can meet the required time limit of rate increases and justify the operating cost of the department, while taking into account the quality of the service which the Canadian people already receive and is entitled to receive.

People ask this question: But what is going on in the Post Office Department? I answered part of this question. Now, let me go on, so that I may give you more explanations.

First and second class rates may not be changed without the approval of the house. All the other rates may be changed on the authority of the Postmaster General. If we study the changes made under his authority between 1961 and 1968, we note that all mail categories, other than the first and second class, produced additional revenue totalling $180 million. In other words, Mr. Speaker, all mail rates which do not fall within the jurisdiction of parliament were increased and brought in additional revenue of $180 million. Those new rates, and the resulting income, are based on the principle that each mail category must pay for itself. If the resolution had been examined and had become law, we would have been in a position to increase third class rates, known also as advertising mail.

Hon. members will recall that I announced earlier this year an increase in the rate of the second weight unit for third class parcels. I specified at the time that this was a temporary increase. It was, in fact, temporary, since third class rates with regard to mail handling, cannot be the same as those applying to local mail. Consequently, third class rates cannot be changed without changing those applying to local mail. My intention was to announce an increase in third class rates effective July 1, 1968. It is still my intention to do it, because I am convinced that the hon. members will give me the support I need at the proper time.

Mr. Speaker, I have other statistics to impart to the house; at this time, however, I should like to mention two other points which were embodied in the resolution which I should have liked parliament to pass. One of these has to do with the duration of contracts—

[*English*]

Mr. Knowles: Mr. Speaker, I raise the same point of order that has been raised before. I have no objection, and I am sure members of the house have no objection, to the minister reporting to us in a general way on the work of his department and particularly with respect to the financial implications of aspects of its work, but it does seem to me that he is violating the rule when he repeatedly returns to the resolution. I believe that he could make his speech more cleverly—and I say this in a kindly way—if he would avoid any reference to the resolution. He keeps returning to the resolution. He says it was responsible and he suggests that it is one which members will support the next time. He is making a speech in support of a distinct proposition which the house has rejected so far as this session is concerned. I do not suggest that the minister should be prevented from speaking about the affairs of his department but I ask, Mr. Speaker, that you apply the rule which states that there shall be no further references to a resolution on which the house has taken a decision.

Mr. Deputy Speaker: Order. At this time I think I should point out to the minister that he is quite in order in discussing the financial affairs of his department or the operations of his department. However, a reference to the resolution which the house debated some time ago may be in contravention of some of the citations. I should like to refer the minister to citation 148 of Beauchesne's fourth edition:

> (1) It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

Again, I refer the house to citation 149(a):

> Besides the prohibitions contained in standing order 35, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not: (a) refer to any debate of the same session on any question not then under discussion; nor—

Further along citation 149(k) reads as follows:

> —reflect upon the past acts and proceedings of the House;

I suggest that perhaps the debate would be more in order if speeches were confined to topics more in keeping with a budget debate.

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I could probably talk about the increase in the volume of mail, for instance. I might say that mail volume has increased by 20 per cent

since 1962-63. I might add that 5,123 million items are now distributed per year, compared to 4,254 million items in 1962-63. Furthermore, the establishment has grown from 41,500 to 48,000 employees since 1963, an increase of 17.6 per cent.

• (5:50 p.m.)

I can say that this personnel was required to meet a 24 per cent increase in the volume of mail and, to be more accurate the 2,896 new mail carriers needed to serve our expanding localities represent 40 per cent of the staff increase.

That is a service that cannot be limited. Besides, as far as the Post Office Department as a whole is concerned, there is not a single service that can be limited. Each new baby, each new immigrant increases the load of the Canadian postal service.

The mail carriers now deliver mail to 3,840,000 homes and businesses, an increase of 27 per cent since 1962-63.

As all businessmen in this house know, in any industry, salaries or, if you prefer, the cost of labour, constitute the lion's share. That is a fact in the Post Office Department, where labour plays a leading part. In fact, salaries represent 67 per cent of the total operating costs. From 1962-63 to 1967-68, the cost of salaries increased by $113 million, divided equally between an increase in the establishment and a rise in the salaries.

The cost of transportation and that of salaries, established at 67 per cent, represent 88 cents of every dollar paid for operations. To complete this picture, I point out that 8 per cent of the estimates are for premises and 4 per cent cover all other items of administration.

Mr. Speaker, I apologize for having taken so much time but these facts had to be made known to the public. Businessmen and the general public have a right to know what the Postmaster General intends to do.

Mr. Speaker, the Post Office Department presents a unique challenge. This most imposing of all government departments, this service which concerns all Canadians, is a real industry. Following the recommendations of the Glassco commission, this department can now give a precise report of its profits and losses.

However, unlike a Canadian industry in the private sector, the Post Office Department cannot decide the wages it will pay its employees; Treasury Board has control over salaries. The Post Office Department cannot recruit personnel and promote its employees; that right belongs to the Public Service Commission. The Post Office Department cannot say how much it will charge for those two main services, because it is parliament, and parliament alone, which can set the rates for first and second classes. And, to crown it all, it is the Department of Public Works which is responsible for the construction and maintenance of buildings.

It is not surprising, Mr. Speaker, that some unrest exists among postal employees. When they discuss with the management, they realize that they are trying to find solutions to problems over which the management has no control. All these facts make me feel very responsible. I must assume my responsibilities toward postal employees and I must take a stand on all postal matters, including the introduction of bills in the house.

There was some question, Mr. Speaker, of changing the Post Office Department into a crown corporation. It may be that this should be done, since it involves a profitable undertaking. In this way, this important government undertaking could be operated freely as a private enterprise, without all these outside controls of government. I am very close to what is happening in this field in the United States and I am particularly interested in what is happening in Great Britain, where consideration is now being given to a bill that would change the Post Office Department into a crown corporation. The responsibilities of my office lead me to pursue consideration of such a project.

As I said at the beginning, Mr. Speaker, I feel deeply committed to the house, to the Post Office Department and to all the Canadian people. I feel I must do everything possible so that the services rendered by the Canadian Post Office will remain the best in the world. This is the position I must take, even if an unpopular measure has to be introduced and reintroduced. That is why, Mr. Speaker, I wish to remind all the members that I shall return.

[*English*]

Mr. Nasserden: Mr. Speaker, would the minister permit a question? Did I understand him to say that $180 million in new revenue was collected as a result of an increase imposed by ministerial decision without reference to parliament?

Mr. Côté (Longueuil): If the house will permit me to answer the question, what I said was that rates can be established by the Postmaster General by regulation. First and

second class rates are statutory and it is about them that hon. members have voiced some objection. In any event, since 1961 the department has, under the regulations, increased rates for all non-statutory classes. As a result of these increases the post office has collected $180 million more since 1961. That is why I suggest the other rates should also be increased.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Rapp: Let us call it six o'clock.

Mr. Deputy Speaker: Do hon. members wish to call it six o'clock now?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. John Gilbert (Broadview): Mr. Speaker, for some unknown reason it was predicted in press and radio reports over the week end that we in the New Democratic party would vote against the non-confidence motion which is to come to a vote tonight. This is quite incorrect, and no spokesman of this party gave any such indication. We do not agree with everything the Conservative party members have said in support of their amendment, but basically it is a motion of non-confidence in the government because of the imposition of unnecessary taxes on the people least able to pay them. When we proposed our subamendment last week we sought to make this point in even stronger terms, but there has never been any question as to how we will vote tonight. We shall vote for the non-confidence amendment and against the government.

For most Canadians, the mini-budget presented by the Minister of Finance (Mr. Sharp) represents mini-thinking and mini-concern by the government. In their speeches, my colleagues have stated that at this time the budget is unnecessary, contradictory and inequitable. It is unnecessary because the additional revenues to be gained for the current fiscal year are minimal and therefore the mini-budget could have been delayed until the spring. The government did an effective job of scaring the Canadian people by telling them that taxes were necessary to fight inflation and that personal income tax would probably be increased by about 10 per cent. Apparently the plan was that the Minister of Finance would then increase the personal income tax by about 5 per cent and tell the people that in the circumstances they are very fortunate. I suspect that the minister will add the other 5 per cent in his spring budget, on the basis that it is necessary to cover the expenses of medicare.

This was the minister's approach when he introduced the $30 supplement to old age pensions. He told the Canadian people: "If you want social security measures, you will have to pay for them", and he then increased the ceiling on the old age security tax from $120 to $240. This is the "teacher with the cane" attitude adopted by the minister. He does not search for ways of increasing productivity or cutting down on government expenditures, such as defence spending, to cover the expense of social benefit measures. He prefers to ignore this approach and to make Canadians pay for these measures out of their own pockets.

We in the New Democratic party have stated that the budget is contradictory in that the measures contained in it will sharply reduce demand and will probably increase unemployment from the 4.7 per cent at which it stands now to a much higher percentage. The spring of next year will be the testing time for the minister's measures.

The minister ignores that the alleged inflation is not the traditional supply-demand inflation but rather a cost-plus inflation which requires a different approach than he has taken. The problem does not stem from too much demand, but rather from the fact that prices and profits are out of control. This does not of course apply to housing. That is why we in the New Democratic party have urged the establishment of a prices review board to settle this problem by persuasion and, if necessary, by legislative action. However, the Minister of Finance prefers to develop a surplus of labour on the market in an attempt to solve the problem.

We have also said that the burden of taxation is inequitably distributed in that the weight of tax increases falls on the working people of the country. It is obvious whom the government represents. It does not represent the average Canadian but rather the upper income Canadian, and it is prepared to protect this small group of people at the expense

of the rest of the population. We suggested that, in accordance with the recommendation of the Carter commission, the minister should obtain the required money from large corporations, mining companies, and oil and insurance companies. But he chose to ignore these recommendations. His approach is that these large corporations support him at election time and therefore they must be protected in between elections.

The hon. member for Verdun (Mr. Mackasey) criticized the New Democratic party for supporting certain parts of the Carter report, but ignoring the basic principle that the report should be accepted as a package. Of course the government rejects the report completely, but that does not bother the hon. member for Verdun. He then asked us why we did not support certain recommendations in the report affecting trade unions, co-operatives, and social security benefits for workers. Of course the hon. member did not mention that the sweeping reforms in the personal income tax rates recommended by the Carter commission would offset the changes affecting these groups of people. The result would be a reduction of 10 per cent for persons in the lower income bracket of $5,000 or less and 7 per cent for those whose incomes are between $5,000 and $10,000. This would cover most Canadians, but the government has tended to ignore them and is fully protecting those in the upper income group.

• (8:10 p.m.)

Probably the most disturbing part of the budget was the part in which the minister made his remarks about reducing government programs. He stated, as recorded on page 4904 of *Hansard* for November 30:

> Our problem in regard to the demands we make on the capital market arises, as I have indicated, not only from our spending programs but also to a large extent from our lending programs. In the current fiscal year for example we are lending from the treasury to the Central Mortgage and Housing Corporation for housing and related purposes a net amount of $608 million, after taking into account repayments we receive.
>
> We are lending to the Farm Credit Corporation for farm mortgages a net amount of $167 million. We are advancing to the Veterans Loan Board for housing and farm credit purposes $60 million. The size of these lending programs will have to be restricted. I am confident we can do this without serious economic effects, when account is taken of the better flow of mortgage funds we can now expect the capital market to provide.

The same approach was taken, Mr. Speaker, by the Prime Minister (Mr. Pearson) this morning at the federal-provincial conference on housing and urban affairs. He again reported that there would be a restriction on government financing. It is all very nice to have the Prime Minister state this morning that by the year 1980 two thirds of all Canadians will be living in 29 urban centres and that this year we will have 160,000 housing starts. He stated that we must co-operate; that annual volume is of prime importance with regard to housing. According to the mayors and reeves association the initiative lies with the federal government, and more private moneys are needed to meet the housing crisis. However, in summarizing all this, the Prime Minister said that the government would not lend any further financial assistance; no cash, just plenty of advice. This was the approach of the Prime Minister this morning.

Another answer the Prime Minister made to the housing problem was to suggest the establishment of a council on housing and urban development, possibly with a full time secretariat and a research division. I ask you, Mr. Speaker, how necessary is this? Last spring the minister in charge of housing went across the country conducting a housing symposium in all the major centres, collecting the required data on how to meet the crisis.

The Economic Council of Canada has made a study in depth of this problem and come up with plans for meeting the crisis. However, this approach the Prime Minister takes to the housing crisis, that we need a council on housing and urban development, is interesting. It is of interest to note that he outlined four particular changes in federal housing policy which he is prepared to implement. He uses the phrase, so far as the federal government is concerned, "as and when our resources permit". This indicates the attitude of the government with regard to meeting the housing crisis. The Prime Minister said there were four things we should do, and they were: federal financial participation in comprehensive planning of our urban regions and in the advance acquisition of land for transportation corridors and open spaces for recreation and similar community purposes; second, federal financial support for land assembly for new suburban communities; third, housing subsidy programs to serve as an integral part of anti-poverty programs in special areas characterized by general poverty, lack of employment opportunities and slow economic growth and, fourth, a more vigorous housing policy to provide housing for people on modest incomes.

Now, Mr. Speaker, he underlines that program again by saying, "when our resources permit". We in the New Democratic party take a different approach. We say that the housing problem can be solved in two words: more houses. We need more houses and we must turn our attention and energy to solving this problem. We say there are four basic rules with regard to housing which we should follow. First, housing is a basic human right of all Canadians. It is a necessity of life. We have no choice in respect of this need, nor can we postpone it. Second, housing must be designed for different stages of life, for families, for retired couples and single people. There are those who seek different styles of housing. Third, housing is only part of the total urban milieu embracing transportation, recreation, work and services. Fourth, the home and community around it determine the quality of our lives. It cannot be considered apart from questions of beauty, design and space.

What must we do to implement these proposals, and what must we do to solve the housing crisis? The first thing that we in the New Democratic party would do would be to establish a federal authority on housing and urban development, with the C.M.H.C. being directly responsible to the new minister and having the responsibility of suggesting an over-all policy for Canada, based on a survey of housing needs, in co-operation with municipal and provincial authorities. One of the things that will probably come out of this conference will be the federal government urging the provinces to establish provincial authorities. We cannot expect the provinces to set up provincial housing authorities without similar action being taken by the federal government. This would be a recognition that the initiative lies with the federal government. The Minister of Labour (Mr. Nicholson), who is in charge of housing, is too busy with labour matters. His attitude toward the housing crisis is that of a part time minister. I should say also that his sincerity is not matched by his performance which, if it were in the field of private industry, would not be acceptable.

What we do not need at this time is a council on housing and urban development. Five years from now we would have a committee to study the work of this council. What we need is a department of housing and urban affairs, with a separate minister who will take the initiative in tackling the housing crisis. Second, we in the New Democratic party feel there should be a massive injection of government money into all types of housing, including low rental co-operatives and housing for senior citizens. We feel that the minimum target for the next three years should be 200,000 homes, and of those 200,000, there should be 25,000 earmarked for low income groups.

Now, one of the striking things that the Prime Minister said at the conference this morning was that the annual volume of housing is of prime importance. He is probably aware that in 1965 there were 166,000 housing starts, that in 1966 there were 134,000, and this year we are hoping for 160,000. This is in place of the statement of the economic council, that the required number is 170,000, which indicates how far short we have fallen. The council not only stated that 170,000 starts were required for this year, but this number is also required for the remaining years up to 1970. They then said that 190,000 new starts would be required, and another 10,000 to replace older homes.

• (8:20 p.m.)

When one looks at future needs for houses in Canada, Mr. Speaker, he has in mind the fact that we are told that by the turn of the century there will be 35 million people in the country. According to the experts, beginning 1970 and continuing to the year 2000 Canada needs an average of 350,000 homes a year. This indicates why it is necessary to set up a separate department of housing and urban development headed by a minister who is made responsible for reaching this target. We feel it is unfair to bring 225,000 immigrants into Canada this year when we have no housing program to take care of them, of new family formations and the resulting increase in our own population. The prime minister of Ontario said this morning that Ontario alone would need 90,000 homes for the next three years, and beyond that would need 100,000. This indicates the magnitude of the problem and the necessity for making a federal minister responsible for housing and urban development.

The third step we would take, Mr. Speaker, would be to cut the mortgage interest rate. An immediate cut in the mortgage interest rate to 6 per cent under the National Housing Act and 7 per cent on conventional loans is required. This morning the Prime Minister said that there has been a virtual freeing of the rates as a result of the new formula imposed by the government. We all know that the new formula has now resulted

in an N.H.A. rate of 8¼ per cent and a conventional rate of from 8 to 9 per cent. The increase in mortgage interest rates will not necessarily increase the number of housing starts. But what it does do, as we have seen, is to add to the cost of a house. With the maximum mortgage of $18,000 bearing an interest rate of 8¼ per cent, by the date of maturity of the mortgage the mortgagor has paid $42,000. If the mortgage is a conventional one at 8½ to 9 per cent, the range of payment is between $45,000 and $50,000.

The government is depending heavily on private lenders to take care of the mortgage crisis. We can say unequivocally, Mr. Speaker, that in no small part the mortgage crisis has been caused by the private lending institutions, who have ignored their social responsibility in meeting the housing problem. They have stepped into the markets that give a more attractive return. They have lent their funds for the construction of large hotels, motels, and luxury apartment buildings and have ignored N.H.A. lending.

More especially, Central Mortgage and Housing Corporation has failed to fulfil the original purpose for which it was set up. At the moment, Mr. Speaker, in order to qualify for an N.H.A. mortgage the borrower must have an income of $8,000. This means that about two thirds of the population are out of the picture so far as N.H.A. financing is concerned. More than that, people with low incomes of $5,000 or less are cut off completely. This is one of the reasons we have a major crisis in housing today.

I suggest that after the government has set forth its program as to the number of housing starts required for the year, it should consult the lenders. It should get definite commitments, so as to ensure an annual volume of housing starts and then adjust its lending program accordingly. If it does not get agreement from the private lending institutions, it should take legislative action to direct into housing a percentage of the investment portfolio of these companies. After all, Mr. Speaker, the savings accumulated by banks, insurance companies and trust companies are the savings of the Canadian people, and the Canadian people should have some right to direct where these moneys should be invested.

There is no necessity for any differential with regard to capital that comes into Canada. The amount of mortgage money invested in Canada from the United States is very insignificant, and this has been underlined by one of our leading life insurance executives.

Fourth, Mr. Speaker, we should move into the field of land assembly and development. Unfortunately there has been little use made of section 35 of the National Housing Act which enables the three levels of government to acquire land on a shared cost basis, to develop it and to prepare it for use. The federal and provincial governments must help finance large land assembly projects and give encouragement and assistance to the municipalities in servicing lots, helping to build schools, roads, sewers, recreational and other facilities. They must be the wholesalers of land.

The highest increase in housing costs has been in the cost of land for which land speculators are to blame. We in the New Democratic party would make full use of the 50 per cent capital gains tax that was recommended by the Carter commission, so as to deter land speculation.

Fifth, Mr. Speaker, we would create a publicly owned building organization which would tender competitively on major public housing projects, thus providing a yardstick for building costs and serving as a leader in the advancement of building technology. The building industry is characterized by construction of small units, antiquated methods and inefficiency. We would also make use of the new branch known as BEAM, set up by the Department of Industry, for the purpose of increasing productivity and efficiency in the manufacture and use of building equipment, accessories and materials.

Sixth, Mr. Speaker, the government should make more use of the limited dividend provisions of the N.H.A. for public housing, low rental housing, housing geared to income, and for senior citizens housing. The present limitation of 5 per cent is not sufficient. We would recommend that the dividend return should be between 8 and 9 per cent. The reason we make this suggestion, Mr. Speaker, is that at the moment the expertise in the housing industry is in the hands of the private builders, they have the land assembly projects and the skilled tradesmen. We think they should be encouraged to use the provisions of this act. At least 25 per cent of all new housing constructed by these builders should be made available at reduced rents. It is also necessary to spread public housing throughout the community, and families of all incomes should be encouraged to settle in such dwellings. Otherwise there is the danger of creating second class citizens.

At the moment there appears to be a breakthrough in the matter on condominium housing and the provinces, with the assistance of the federal government, should give it every encouragement. There are many retired couples living in large homes today who do not want to lose their security of ownership. If condominium housing was available, these people would retain their security of ownership, at the same time freeing their present homes for larger families.

Seventh, Mr. Speaker, we would remove the sales tax on residential homes costing up to $25,000. This would be done in the form of an abatement. We would not remove the sales tax for the more expensive homes or other buildings.

• (8:30 p.m.)

Eighth, the mortgage limit with respect to older homes should be increased from $10,000 to $15,000, to make the provisions of the act work and to revive competition between private lenders.

Ninth, we should encourage home improvements loans in every possible way. The big dip has occured with regard to housing improvement loans.

The members of the New Democratic party feel, Mr. Speaker, that the measures I have outlined will help to ease the housing crisis and will go a long way to guarantee to the average Canadian the fulfilment of a basic right, that of decent housing.

Mr. R. K. Andras (Port Arthur): Mr. Speaker, neither of the important measures that the government has announced, the raising of taxes and the cut-back in expenditures, can be described, by any stretch of the imagination, as politically popular measures. I think hon. members must agree that in taking such action the government displayed a great deal of political courage. That the measures were proposed and adopted shows a deep sense of responsibility on the part of the members of the government.

By introducing such measures, the government provided an opening for the opposition parties to criticize the government. The opposition parties have seized on this opening and through their criticisms have indulged in political opportunism. It might be said that the government is always fair game for the opposition, and that the duty of the opposition is to oppose and to criticize. The opposition also has a responsibility to say, in specific terms, what programs should be substituted for those that are undertaken by the government.

[Mr. Gilbert.]

Most remarks that I have heard opposition members make have consisted of generalizations. Anyone reading *Hansard* for the last few days will have difficulty in pinning down to concrete terms the criticisms of the opposition. In fact, in its remarks it has shown a considerable inconsistency. On the one hand it has piously decried what it terms as profligate government spending and, on the other hand, with respect of certain programs it has recommended and demanded more government spending.

This afternoon, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Comtois) spoke of members of the opposition who had asked the government to increase expenditures on certain programs. I wish to add to what he said. The examples I shall cite are culled from *Hansard* over the last three and a half to four months.

On September 25, the hon. member for Esquimalt-Saanich (Mr. Chatterton) moved to adjourn the house under standing order 26. At that time he suggested that the government increase expenditures on housing and remove the 11 per cent sales tax. Also on September 25, as reported on page 2430 of *Hansard*, the hon. member for Carleton (Mr. Bell) recommended that the government pay increased pensions to retired civil servants.

On September 26 the hon. member for Fraser Valley (Mr. Patterson) asked for increased loans to be granted for agricultural fairs. Also in September many members of the opposition—the hon. member for Kent (Ont.) (Mr. Danforth), the hon. member for Middlesex West (Mr. Thomas) and the hon. member for Lambton-Kent (Mr. McCutcheon)—requested extended feed grain freight subsidies to Ontario producers.

On October 3 the hon. member for Queens-Lunenburg (Mr. Crouse) asked for a second ferry service between Nova Scotia and New England. On October 5 the hon. member for Skeena (Mr. Howard) asked for assistance to be given to the herring fishery. On October 13 the hon. member for Queens (Mr. Macquarrie) recommended, that the government invest in a second national park on Prince Edward Island. On October 19 the hon. member for Prince (Mr. MacDonald) opposed the closing of the air base at Summerside, Prince Edward Island.

On October 23 the hon. member for Saint-Hyacinthe-Bagot (Mr. Ricard) requested that financial assistance be given by the federal government to the city of Montreal for metro extension construction. May I also cite the

debate on Dosco. Hon. members of the opposition advocated that the government take over Dosco. I also cite the debate on the estimates of the Department of Manpower and Immigration. In October the Leader of the Opposition (Mr. Stanfield) suggested that the government drop the three year provision in order that drop-outs might receive allowances during training.

I suggest to hon. members that all the projects I have cited are worthy projects and perhaps at some stage, they should all be undertaken. We must recognize nevertheless that they carry a considerable price tag. On that ground, if on none other, I claim that the opposition has shown inconsistency by, on the one hand, demanding government expenditures and, on the other hand, criticizing the government for its so-called profligate spending.

Mr. Sharp: Hear, hear.

Mr. Andras: The opposition's inconsistency is epitomized by the two positions that the Leader of the Opposition has adopted. On one occasion he used words to this effect. "Mr. Speaker, I think anybody who suggests that you can cut down on government spending or offer a substantial reduction in taxes is not being very realistic; but any government can control the rate in the increase in expenditures." That seems to have been a realistic assessment, and it is all the more surprising that, having expressed this common sense attitude, the Leader of the Opposition should depart from that position a few days later.

I ask this question of the opposition: What further cuts in government spending does it recommend? Let us not have generalities; let us have specific proposals. What programs that have been approved by this parliament—and many of them have been approved by the majority of members of the house—would the opposition eliminate, reduce or postpone?

The government has listed the programs that are to be eliminated, reduced or postponed, and every member of this house or every member of the public can readily learn what those programs are. If the opposition wishes to act responsibly, let its members have the courage to set forth, in clear and precise terms, what programs ought to be eliminated, in addition to those which the government has eliminated, reduced or postponed. I suggest that during this debate all hon. members had the opportunity to consider what they wanted to say. Let the opposition say in clear terms, what are the alternatives that it boasts about. Let the criticisms not be vague and general, but let them be specific and detailed.

It seems to me that with the spate of words which flow from this place—words which are often biased and inaccurate, with inaccuracies often being compounded by superficial and biased reporting—we are building a mountain of misunderstanding in the minds of the Canadian public. Believe me, Mr. Speaker, this could start a disastrous landslide some day, and that could destroy this country.

An hon. Member: We are well on the way.

Mr. Andras: I sometimes wonder about our technique of debate in this house. We espouse what is known as the adversary system of debate. Essentially the theory is that merely because the other fellow, in another party, sits on the opposite side of the house, he is all wrong. From then on the debate deteriorates into a shouting match. Skill in debate, nice turns of speech and the manoeuvring for press publicity outweigh such considerations as the truth of facts and the need for objective, responsible and balanced thinking.

• (8:40 p.m.)

May I now refer specifically to taxes. Tax increases at any time are unpopular. Let me quote from the introduction by Mr. C. E. Forget to a study he was called upon to make for the royal commission on taxation. He says:

> The paying of taxes has never been considered a pleasure. Most taxpayers in most countries feel most of the time that they are worse off than their equals were and are elsewhere. They are inclined to strengthen their belief with odd bits of information from abroad, gathered at random.

There are many taxpayers in this country who feel they are bearing a heavy burden in comparison with that borne by taxpayers in other nations. This is not correct, it would appear from an examination of the figures; and I believe that as parliamentarians we should, regardless of party, try to get the facts across to the people. In the course of this study the author stresses the difficulty of making accurate comparisons between taxation levels because of differences between taxation systems in various parts of the world.

I believe it is agreed among professional opinions that comparisons are best made by relating taxation to gross national product. This approach has two major advantages. It produces comparison results related to the size of the economy concerned, rather than directly on a currency basis and, second, it avoids the problem which would be presented by exchange rates operating when currencies are fixed at different values.

A comparison between taxation in Canada and in other countries on this basis is somewhat reassuring. I have a table here taken from the United Nations year book of national accounts (statistics), 1965. The figures given here take into account taxes at all levels of government, municipal, provincial, and federal, as applicable; they include real estate taxes, income taxes, sales taxes, excise duties, customs duties and so on. This table shows that on a basis of the gross national product the country with the highest taxation in the world is Sweden, where the percentage is 38.4. In France, it is 36.9 per cent and in the United Kingdom, 27.3 per cent. Canada enjoys a privileged position, standing twelfth on this list of 17 highly industrialized countries. In Canada, tax revenue from all sources represents 26.5 per cent of the gross national product. Only in Belgium, the United States, Australia, Ireland and Japan is the percentage lower. Thus, anyone who says that we in this country are overburdened by taxation comparatively should look outward to other countries, study the situation there and also reflect on the benefits we are getting from the taxes we pay.

A further comparison can be made on the basis of real income after tax. In other words, how much purchasing power have we left after taxes have been deducted. Again, I have a table here which indicates that while the consumer price index rose between 1957 and 1966 from 121.9 to 143.9 in terms of 1949 equalling 100, an increase of 18 per cent, per capita personal income rose from 148.5 to 228.1, an increase of 53.6 per cent, and per capita disposable income, after taxes at all levels, rose from 145.4 to 218.2, an increase of 50 per cent. I do not think this represents an extraordinary burden on the taxpayers of this country when we consider taxes in relation to the increase in real income.

Another interesting set of figures shows the effects of changes in taxation on the income of a married taxpayer, with two dependent children eligible for family allowance, earning $7,500 a year.

[Mr. Andras.]

In 1950, this taxpayer paid $964 a year in federal taxes alone. In 1966—and this includes federal and provincial taxes in all provinces except Manitoba, Saskatchewan and Quebec—he paid $863. As a result of the tax changes now proposed he will be paying $958 a year. So there really has not been much change, though I suggest there has been a great increase in the services which the government has provided during the period between the years I have mentioned.

We have heard it said, particularly by members of the New Democratic party, that the tax increase now proposed is beamed entirely toward the individual and that corporations have not been called upon to take the burden. I have been doing a little research work on this subject and I have taken the trouble to find out what the position is in this country with regard to the distribution of federal taxation between the individual taxpayer and the corporations. I make no defence of corporations, except to say we are bound to recognize, whether we like it or not, that business and industry constitute one of the major segments of our society, investing money, taking risks, producing goods and providing incomes which individual citizens enjoy. All this is responsible for the standard of living we have reached. We cannot afford to kill the goose which lays the golden egg.

Here are figures taken from the Canadian Tax Journal. In the United States in 1963, 22.1 per cent of direct tax revenues came from corporations and 77.9 per cent came from individuals. In Sweden, 9.1 per cent of direct taxes was imposed on corporations and 90.9 on individuals. In the United Kingdom, 18.2 per cent came from corporations and 81.8 per cent from individuals, and in France 11 per cent came from corporations and 89 per cent from individuals. In Canada, Mr. Speaker, 35.4 per cent of direct taxes came from corporations and 64.6 per cent from individuals.

Thus, though it is easy to say that the corporations should be soaked, we must be awfully careful lest we kill the goose which lays the golden eggs.

Mr. Schreyer: Would the hon. member permit a question for the purpose of clarification? Would he give the source of the most recent statistics he has quoted?

Mr. Andras: Yes, I would be glad to do so. These figures are from the Canadian Tax Journal issue of January-February, 1966 and

they are contained in an article by Marion H. Bryden.

Mr. Nasserden: Very misleading.

Mr. Andras: During the last few years, however, the government has introduced major measures of social reform, such as the Canada assistance plan, the income supplement for the aged, medicare and so on. I personally am proud we have done these things. I think they were long past due. They were badly needed, and there are further measures in this general area of social progress which we should consider in due course.

• (8:50 p.m.)

At the same time, going back to the opinion expressed a few moments ago, there is an economic base from which all these blessings flow, and we have to protect that base. The time has now come for us to stop and temporarily digest the social reform measures we have passed, so as not to overload the economy. It is time now to turn to the theme and to the priority, and for a short period at least as a government to concentrate our investments into economic development, and let the gross national product grow so that the tax base is increased. Then we can afford to move ahead on other needed measures of social reform.

One of these procedures in investment in economic growth, that of regional economic development, has to take place in a much more comprehensive form than exists presently. One can look at the growth of certain sections of the country and see how quickly they are expanding and then turn to other sections and see how slowly their rate of growth is proceeding. Something should be done in such a situation. The urban centres such as Toronto and Montreal—and we could name others—are pyramiding development in their own areas, while other sections of the country are lagging behind.

In particular the province of Ontario requires close examination in terms of subprovincial regional economic development. Ontario is recognized as a "have" province. The statistics of economic performance in Ontario are standouts, so fas as the country as a whole is concerned. But Ontario is a vast province. It contains many different kinds of regions, and there are many different economic regional activity levels in it. There is a wide disparity between the growth rate in the northern part of the province and the tremendous development taking place in Toronto and the golden horseshoe, extending down to Niagara, Windsor and back to Toronto.

The situation in that southern area of Ontario—and I say this without any attempt to be facetious or critical—is creating so many problems and demanding so much of the attention of the Ontario government that it simply cannot afford to devote sufficient energy, time, effort and money to many of the other sections of the province in order to plan the kind of development that we want to see take place in those sections. In my opinion many other provinces, classified as "have not" provinces, have co-operated a great deal more than Ontario with the federal governmment, particularly through ARDA programs, in seeking stimulation for the economies of their various areas. In this respect I am thinking of provinces like Newfoundland, Prince Edward Island, Quebec, New Brunswick, Nova Scotia and Manitoba. I speak with particular concern about this matter because of the situation in my constituency and in my area of northwestern Ontario. We would be incorrect if we were to describe this as a disaster area. Up to the present time we have continued to enjoy reasonable levels of employment, but it is a slow growth area.

With this thought in mind, some 18 months ago I made a number of specific recommendations for the framework of an economic development plan for the area. I negotiated these recommendations with the federal government. The response was encouraging, and I got written approval form the minister of forestry (Mr. Sauvé) that ARDA, under the federal administration, would assist in financing the kind of research that had to go into it. Simultaneously with these negotiations with the federal government, I spoke with many people at Queen's Park and in the Ontario government. While the approval came from the federal government many months ago, apparently I have not been a good enough spokesman to move the Ontario government to any action whatever. I say this in a non-partisan way because in the province of Manitoba, which enjoys a Conservative government, as does Ontario, the exact opposite has been the case.

Mr. Reid: May I ask the hon. gentleman from Port Arthur a question. Does he know of any other plan which the Ontario government has undertaken, under ARDA or any other program assisted with federal money, that would be comparable to what he has proposed?

Mr. Andras: The answer to that question is very easy. There has been no similar activity by the Ontario government under ARDA, as compared with the provinces of Nova Scotia and Manitoba in which it has co-operated with the federal government in such programs.

This is the sort of thing that has led some of us to think some rather radical thoughts about our political set-up. Several months ago I wrote what I considered a rather whimsical article suggesting that we should consider a separate province for northwestern Ontario and northern Ontario. I know that my hon. friend from Kenora-Rainy River (Mr. Reid) made a similar suggestion in the house the other night. I am not sure that this is a wild idea. I think that for some long time to come the Ontario provincial government is going to be preoccupied with the demands and the problems of southern Ontario, so that it will not be able to turn much attention to the areas of northern Ontario which demand planning and development.

Some of us, members of different parties in this house, have recently talked to Mr. Kierans of Sudbury. I had a most interesting discussion with him a few days ago regarding his proposal for the establishment of an institute for northern development. I told him that I would prefer that it be called an institute for regional development. I do not think that stress on the word north is what we need now. I believe we need a real study into the formation of a national program for regional economic development, whether that development be in the north, south, west or east. This again brings up juridictional problems, the kind of problems I have faced in my negotiations with the Ontario government, which is responsible for regional subprovincial economic development. It seems to me that basically such development is the responsibility of the provincial government and that the federal government can assist only if it is invited to participate. Most certainly this is the view that Queen's Park is taking. Something has to happen to get these areas going which do not enjoy the same rate of growth as the six or seven very affluent areas of the country. I believe that during the discussions next month in the federal-provincial conference, which basically will discuss federal-provincial relations, this matter of regional economic development should be placed on the agenda and thoroughly discussed in order that jealousies and jurisdictional problems and other impediments can be removed.

I appreciate the opportunity, Mr. Speaker, to set these views before hon. members of the house, and I hope particularly that my argument about the need for a regional economic development program on a national scale will receive full consideration.

• (9:00 p.m.)

Hon. E. D. Fulton (Kamloops): Mr. Speaker, this house will be called upon very shortly to vote on the amendment, the motion of non-confidence moved by my colleague, the hon. member for Perth (Mr. Monteith), as our response to the budget message delivered by the Minister of Finance (Mr. Sharp). My purpose in participating in the debate at this stage is to review the situation of the country in the context of that amendment and to endeavour to show that every branch of the amendment is justified, and that it should command the support of the house as a serious condemnation of the government, and I say a serious condemnation of the government in the full realization of the implication of those words if the amendment should carry. I hope the amendment will carry because in my view it is in the interest of the country that it should carry and that the government should be forced to resign.

In the amendment now before the house there will be recognized to be three phases. The first is the accusation that the government has created the situation, the mess, to which this budget and the resolutions dependent upon it are supposed to be the response; that is, that the government is responsible for the situation which has brought about this budget. The second phase of the amendment is that the answer of the government is completely inadequate. Their answer is to impose taxes—to increase taxes—which is a completely inadequate response and in no way at all meets the situation which they in fact have created. The third accusation in the amendment is that the taxes—the very measure now proposed by the government—are not only unnecessarily burdensome but may themselves actually aggravate the inflationary condition to which they are supposed to be the answer.

Those are the three branches of the amendment. I should like to develop each one in detail in order to show that they are justified and should indeed command the

support of every responsible member in this house.

I shall deal first with the accusation of mismanagement and vacillation. Well, sir, it seems to me that it should not be necessary to advance too much detail in this regard. The fact is that in this year we have had two diametrically opposed budgets. Nothing can more clearly prove the charge of mismanagement and vacillation. There has been a complete change in the government's position between the budget brought down in June and the budget presented to the house within the last two weeks.

I know that the Minister of Finance (Mr. Sharp) says the reason he brought down a second budget is because the circumstances have changed. I say to him that his statement is completely inaccurate and amounts to a gross misrepresentation. The reason he brought down the second budget was not because the circumstances have changed but because the government has grossly overspent and therefore has to impose tax burdens upon the country in order to meet its bills. By its overspending it has dried up the capital markets. The Minister of Finance realizes they are no lower available to him. Therefore, he had to introduce a budget to raise more revenues to pay his bills.

This is not a change in circumstances, because that overspending was the deliberate result of the minister's first budget. In his first budget and in the estimates for 1967-68 which he presented in this house he deliberately forecast expenditures in the sum of $9.5 billion to $10 billion in this fiscal year. That was not an accident. Except in so far as the minister was unable to restrain his colleagues, that was his deliberate purpose. He budgeted indeed at that time for a deficit in the order of $750 million, three quarters of a billion. He had to introduce his second budget, the one we are dealing with, because he found he could not get the money to meet the level of expenditures he himself had imposed upon the country. There is no change of circumstances. This is a budget, a measure of taxation increases, made necessary by the minister's fiscal mismanagement.

There is in addition this feature about his budget: The minister has presented it as an anti-inflationary budget, as an instrument which he tries to pretend is good fiscal management in responding to changed circumstances. Sir, this is not an anti-inflationary budget: It is a revenue raising budget pure and simple. It is a budget to raise the revenues the government now finds it needs in order to meet its own grossly inflated spending programs. It is not a management budget. This collection of individuals opposite making up the cabinet has never had the ability to manage. But, sir, even if they ever had it, they have now lost that ability; they have piddled it away. Even if these individuals have now lost it by their own mismanagement.

Second, I should like to demonstrate conclusively that it is in fact the over-expenditure by this government which has created the situation with which we are now faced. Let us look at a few of the figures which are relevant in this connection. Since the 1963-64 fiscal year when this government assumed responsibility—I will not say power, because they have never been able to exercise power since they assumed responsibility—the levels of federal government spending have increased by some 65 per cent. In this period of just over four years the level of civil service employment has increased at a record pace.

I realize that it is not a valid criticism just to talk about the increase in the number of civil servants or the increase in the amount of their salaries; one must ask: What value is the country receiving for these increases? I defy any member of this house to tell me that the 65 per cent increase in federal spending and the record increase in federal payrolls has been matched by a corresponding increase in service to the country.

All that has been happening is gross over-inflation in civil service payrolls and in government spending authorizations.

In support of that statement I should like to cite a Canadian Press dispatch which appeared in the Vancouver *Sun*—which is not a paper favourable to the party to which I have the honour to belong—of October 19, 1967. In examining the figures the Vancouver *Sun* reports as follows:

> Civil service employment has been creeping up steadily from its wartime peak of 116,000 in 1945.
>
> But it didn't really start to surge until the start of 1965. Since then it has increased by an astonishing 9 per cent.

Then a little later on the report continues:

> The budget estimate for civil service payrolls in the current fiscal year is $1.3 billion, an increase of 44 per cent in three years.
>
> It will take the combined personal income tax revenues from Toronto, Montreal, Vancouver, Winnipeg and Hamilton to cover the bill.
>
> Most of the staff increases can be traced to an unprecedented upsurge in the creation of new departments, agencies and programs.

That is a statement of the facts—an unprecedented upsurge in the creation of new departments, agencies and programs unmatched by any increase in real services or real production for the people of Canada.

But when faced with this criticism—these facts—unfortunately the minister, on behalf of the government, instead of recognizing that the government is at least partly to blame for the inflationary pressures, indulges in a form of political finger pointing, as thought he were a small boy saying, "Yah, you too."

If we could see on the part of this government any readiness to recognize its responsibility for creating, or contributing to, the situation or to respond by mending their ways, then one might have to be more temperate or more moderate, if you like, in the criticism we make; but unfortunately one sees the reaction only of small politicians, because when faced with this statement of fact by the Leader of the Opposition the other day, what was the response of the Minister of Finance? His reply was typical of a government which is more obsessed with political justifications than with the responsibilities to the job it has to do.

• (9:10 p.m.)

So the Minister of Finance contented himself by saying that the record of the present Leader of the Opposition, as premier of Nova Scotia, had been even worse than the record of the present government. His only answer was to point to the situation in Nova Scotia, Let me read from page 5215 of *Hansard* for December 8, where the minister is reported as having said:

> Between the years 1956 and 1966, a period when my hon. friend occupied the position of premier of that province, the public service of Nova Scotia, those in government employment, rose from approximately 10,300 to 14,419. This is an increase of just under 40 per cent. In the same period the number of civil servants in Canada rose from 336,000 to 361,000 approximately. This is an increase of just about 7 per cent. These are comparisons that I think should be brought to the attention of the house.

Well, Mr. Speaker, may I ask what kind of a minister is this and what kind of an inept answer is that? If it were an answer at all, it is still a completely political answer. Even if the comparison were apt or fair, to say to somebody else that your record is bad, therefore mine is good, is not an answer. This does not justify to the slightest degree the lack of responsibility and fiscal restraint on the part of this government.

[Mr. Fulton.]

And of course, the situations are not comparable, so the minister's reply is not even apt in that respect. One must look at the question in the light of the starting points. It was recognized by our party and by the government which we formed in the years between 1957 and 1963 that there was a disparity between the levels of the economy and of government services as between the maritime areas and the rest of Canada. We as a responsible federal government deliberately encouraged and made it possible for the government of Nova Socia, as well as other maritime governments, to increase the level of their government services.

As a measure of federal government assistance we introduced the Atlantic Development Grants Act, and it was in response to that act that the government of Nova Socia and the governments of other Atlantic areas were encouraged to increase the numbers of their federal civil servants and the number of government services they could render to their people. That increase in Nova Scotia civil service was the deliberate result of a deliberate federal policy, and all that the Minister of Finance has said provides a record of the beneficial results of the deliberate, responsible, intelligent and effective federal government policy of those days.

Again in respect of this matter of mismanagement and vacillation, it becomes quite apparent that in spite of what the government has been saying, it realizes that it is overspending and that this overspending is one of the major contributory factors to the inflationary trend from which the country suffers today. Let me now prove this point.

The government deliberately estimated for a budgetary deficit of $750 million this fiscal year. That estimate has now risen, as a result of the supplementary estimates, to over $800 million. The sorry fact is that the government really does nothing about this present situation. It has done nothing about one of the root causes of the inflationary trend; that is, its own gross overspending. It has done nothing about its overspending for this year.

But in answer to the criticism—which he recognizes in his heart is valid—the minister makes the pretence of doing something by discussing next year's projected expenditures. So, we have an exercise by the President of the Treasury Board (Mr. Benson) a couple of nights ago when he listed a long and exhaustive mass of detail about possible reductions in next year's spending programs. Of course

this was nothing more than an exercise in a shallow pretence. No single phrase of that minister's speech can demonstrate this shallow pretence more clearly than one to be found at page 13 of the advance text of his speech which was distributed to us. He said:

> We are now approaching the final stages of the 1968-69 estimates exercise.

That is all this great build-up, fanfare and publicity about the huge saving the government is going to make next year amounts to—nothing more than an exercise. It is just that—an annual exercise in the process of the review by the Treasury Board in its regular course of paring the departments' official submissions down to that which comes out in the blue book of official estimates.

A true measure of the folly and the fantasy to which we were subjected last week is shown by some of the so-called savings that are to be made. There was a list of some four or five pages presented. Let me give you some choice examples of these great savings to be made on behalf of the taxpayers of Canada. At page 17 of the advance text we are told:

> The special planning secretariat within the Privy Council office will be disbanded: henceforth its essential functions in the field of co-ordination of social development programs will be carried as part of the normal operations of the cabinet secretariat.

We are then left with this disturbing question: If this is part of the normal operations of the cabinet secretariat, why on earth was this put elsewhere in the first place? How in heaven's name does this return to normal lead to a real saving?

Another example is this:

> Financial provision for the Company of Young Canadians will be reduced by 20 per cent from the $2.4 million budgeted for the current year.

I am sure the people of Canada will welcome that huge saving of 20 per cent of $2.4 million budgeted for the Company of Young Canadians. I go no further, but the implication is obvious.

The next example appears on page 19 of this advanced text. It states:

> Provision for staff travel throughout the public service is being cut by a full 10 per cent from departmental requirements as submitted in estimates for the year 1968-69.

Bully for you boys. But how much was submitted for last year? Departmental travel possibilities for next year is being cut by 10 per cent. I am sure the Canadian people can be expected to cheer about this real saving which will represent such hypothetical hardship to the government. Surely this is a nonsensical statement.

This is the vein in which these examples can be repeated. For instance, we are told the external affairs department planned to open two new diplomatic missions abroad in 1968-69, and trade and commerce planned to open three new posts. These plans are to be deferred as a reuult of the hard and ruthless decision of this government.

Again, according to the speech of the Minister of National Revenue and President of the Treasury Board there will be a slowdown in the plans for headquarters buildings for three departments in Ottawa, namely external affairs, transport and national defence. These are not projects already in existence, they represent deferments and great savings in respect of things that might never have happened anyway. Is it not amazing that the three departmental headquarters to be deferred do not include the department headquarters of the minister? It is well known that these plans included the construction of an elaborate and expensive new headquarters building for the Department of National Revenue. One might have thought that when the minister was asking for these great sacrifices on the part of his colleagues he would have been willing to set a practical example by cutting out his own departmental headquarters. But no, the measure of the government's seriousness in this program is contained in the words of the minister to his colleagues when he said "you must defer your plans, but mine of course are essential". So the Canadian people are going to pay for a new national revenue headquarters building but are invited to rejoice in the amount of these other so-called savings.

• (9:20 p.m.)

I could go on, but perhaps this is the peach of them all. I refer to item No. 38 on page 25 of the advance text of the statement of the Minister of National Revenue, which reads as follows:

> The Transport Department has also been asked to defer all reconstruction and improvement work on the Rideau and Trent canal systems other than that which is absolutely necessary to maintain the systems in proper operating condition.

What else could the expenditures properly have been expected to cover other than to

maintain the canal system in proper operating condition? But that is the nature of the whole fantastic operation, namely raising to the level of a virtue the cutting out of frills and reducing expenditures to what is necessary to maintain the government service in proper operating condition. I do not think I need say more to demonstrate the fantasy and futility of the operation to which this parliament and the country has been subjected by the government.

But what about priorities? What has been done while this exercise in futility has been going on? What has been done to produce a proper program of priorities? Nothing.

The Minister of Finance told us earlier in the session that the true measure of priorities is not what you keep at the top but what you cut off at the bottom. Let us look at this bottom-lopping exercise. What has the government kept at the top and cut off at the bottom? At the top they have kept medicare, and the Minister of Finance refuses to exercise his proper responsibility, and indulges in disgraceful political jockeying with the provincial finance ministers on whom he tries to fob off the responsibility for the program regardless of whether it should go through or not. He has stated officially that medicare remains the top priority program of the present government. But what does he cut off at the bottom? He cuts off at the bottom increases for superannuated federal civil servants who are in need of assistance who need help both from parliament and from the country. This is the measure of the minister's seriousness when he speaks about priorities and about lopping off expenditures at the bottom.

Mr. Sharp: Would the hon. gentleman permit a question?

Mr. Fulton: No, Mr. Speaker, I have only a few minutes left in which to complete my exposé. The minister has made two speeches already. Perhaps he will make a third one and really answer the serious criticism with which he is faced. He will not do so by asking questions. All he will do is to ask: "What is your stand on medicare?" Our stand on medicare is on the record. We moved a series of amendments when the bill was being debated in the house in which we clearly indicated the kind of medicare program that should be established, and we would accept our responsibility in that regard.

[Mr. Fulton.]

Next, Mr. Speaker, when it becomes apparent that the government is merely indulging in an exercise of futility with respect to this so-called paring of next years projected expenditures, and when they are asked what they intend to do about their current over-expenditures which are contributing so greatly to inflation, they say: "We cannot reduce current expenditures", and they distort the words of the Leader of the Opposition in support of their own futile arguments. We have heard the Minister of Finance and the President of the Treasury Board attempt to distort what the Leader of the Opposition had said. They say: "No government can reduce current expenditure programs".

Of course they cannot do so when they are so pusillanimous about it. But if they were really determined to meet their responsibility and to get the country out of the mess into which their programs and their lack of management have landed it, they could and they would reduce the current expenditure programs. Let me give the minister an example of when it was done and when the federal government accepted its responsibility, grappled with the situation, and in fact reduced the current spending programs in the midst of the fiscal year.

It was not pleasant. All my colleagues here who were in the cabinet and those who were our supporters in the party will recall how unpleasant and how difficult it was. But we did it in 1962.

Mr. Sharp: You were forced to do it.

Mr. Fulton: The Minister of Finance says, we were forced to do it. Yes, we were forced to it because we accepted our responsibility to restore the fiscal balance of the country. But the difference between then and now is that this minister and his government do not accept that responsibility.

Mr. Macdonald (Rosedale): You accepted it by resigning.

Mr. Régimbal: Get back in your seat.

Mr. Monteith: Don't interrupt.

The Acting Speaker (Mr. Tardif): Order, please. When the Chair calls for order, it applies to both sides of the house.

Mr. Fulton: I am always glad to resume my seat, Mr. Speaker, when I see that Your Honour is on his feet. I know my hon. friends opposite do not like this. We did not like it either, but we did it—

Mr. Macdonald (Rosedale): And then you quit.

Mr. Fulton: —because the welfare of the country demanded it.

Mr. Sharp: You had no alternative.

Mr. Fulton: I know what my hon. friends opposite will say all across the country when they attempt to answer the argument. They will say this was a special situation. We were faced with an unpleasant situation, but I say to you, sir, that as a result of the action we took in which we cut spending by a total of $250 million in the midst of a fiscal year, we laid a further basis for the program which we started in 1961, which culminated in the devaluation of the dollar in 1962, and the final stage of which was the cutting of spending programs in the middle of the fiscal year. These actions were the basis for the greatest continuing expansion of the Canadian economy that has ever been known.

Mr. Macdonald (Rosedale): Oh, oh.

Mr. Fulton: The hon. members who shout from behind the curtain do not have the courage to say it in the house. I trust, Mr. Speaker, I will be allowed an extension of time to compensate for the interruptions of the loud voiced members opposite.

Mr. Deputy Speaker: Perhaps the house would be willing to give me an opportunity to hear what the hon. member is saying.

Mr. Fulton: The fact is that these responsible actions, so different from the actions of the present government, laid the basis for the longest and most uninterrupted economic expansion in the history of the country. I do not only rely on my own words. Let me quote the words of the governor of the Bank of Canada who in his recent speech in Winnipeg verified what I have been saying. I quote the following from page 1 of the text of his speech:

> To provide some perspective for my later remarks, I would like to take a brief backward glance at the great economic gains this country has achieved in recent years. We are now well into our seventh year of virtually uninterrupted economic expansion.

If we take away seven from 1967 it will take us back to 1960 or 1961 when the virtually uninterrupted economic expansion began.

Further, the Minister of Finance himself, in moments of frankness, gave credit to the same policies for having started the trend. At page seven of the "Economic Review for 1966" which he presented in his white paper on June 1, 1967, he stated:

> The generally well balanced nature of Canada's economic progress during the years 1961 to 1965 was a notable feature of that period.

Then, in the "Economic Review for 1965", he said:

• (9:30 p.m.)

> The 1965 advance in output was a continuation of the expansion which began in early 1961 and which has become the longest in Canadian history.

So, there are the facts. When a government accepts its responsibility to manage the economy, when it has the room and gumption left to exercise some management, then it can and does take measures which will put the economy back on an even keel which will once again permit advance and progress. But when a government fails, as this government has failed, to accept this responsibility, when it tries to pretend to the Canadian people that the responsibility belongs to the opposition because the opposition does not give the government a blueprint as to precisely what it should do, we see the measure of the situation with which we are confronted. We have a government here which has created a mess, and to which it now asks this parliament and the country to respond by enacting measures which are inappropriate, by enacting measures which will lay the greatest burden on those least able to bear it, the average taxpayer. This is what the minister's tax proposals will do.

This government has introduced budget proposals which, far from alleviating the inflationary pressures to which it is supposed to respond, will in fact be most likely to fan the fires of those inflationary pressure. There can be no doubt that a 5 per cent average surtax on income tax across the board will bear most heavily on those least able to bear it. There can be no doubt a 5 per cent surcharge on income tax across the board will be followed by further demands for increased wages, and rightly so. I am not condemning those who will make these demands. They will be faced with increases in costs, of course, and they will make demands. What could be more natural or more proper?

Mr. Knowles: I am sorry, but I think the hon. gentleman did not hear my interjection. It is not really across the board, because it stops at $600.

Mr. Deputy Speaker: Order, please.

Mr. Fulton: May I conclude with just a sentence or two. Faced with this situation for which the government is itself is largely responsible, which has brought about the necessity for these budgetary proposals, but with the clear evidence that the budgetary measures the government proposes will not solve but will rather aggravate the situation which they have created, I appeal to responsible members on all sides of this house to accept their responsibility and face facts. The fact is, and their responsibility is, that we will not get this country back on an even keel until we face the first necessity for accomplishing that, namely removing this government from office.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am pleased to have this opportunity of saying a few words about our present economic situation, which is not only quite complex, but also seriously affected and not at all flourishing.

When we came to this house, in 1962, the Liberals, who were in the opposition at the time, were voicing the same demands and acting the same way as the Tories today.

At the time, the government was blamed for all sorts of things. It was accused of failing to take its responsibilities, of accumulating deficit after deficit, of being unable to balance the budget. It was held responsible for the inflation and general imbalance that were rampant across the country. Yet Liberals were sitting where the Conservatives now sit.

In 1967, the Conservatives sit in the opposition and blame the Liberals, but none of them suggests a real solution to the problem. None of them speaks in terms of truth, in concrete terms; none of them places himself at the level of concrete truths, of Canadian physical realities.

That political situation exists since confederation. Governments have changed from Liberal to Conservative and from Conservative to Liberal, but the situation has always been the same: always the same recommendations and the same protests. In fact, nothing has changed; the two old political parties have never changed anything in the economy. The financial economy of the nation, old as the world, has never been reformed. It has always led to the same results, either under the Liberals or under the Conservatives.

[Mr. Knowles.]

The fight is still going on; non-confidence motions are moved against the government. The Conservatives would like the present government to resign in order to replace it, but they do not have a better solution to offer.

As far as the New Democratic party is concerned, it advocates planning as the panacea for all the ills of the world but, Mr. Speaker, the parliamentary library is overflowing with treatises on planning and not one tenth of those plans have ever been successfully implemented because there was not enough money to finance them. Plans are plentiful but not money to implement them. As long as we lag behind the realities, as long as we fail to deal with the economic situation while taking them into account, we will get the same results.

• (9:40 p.m.)

Mr. Speaker, it is much easier to make Canadians accept the deficit and the tax increases by dividing the budget into three parts, because it seems that half-measures or quarter-measures are easier to accept. When the Conservative party was in power, the budget was divided into two. Now, it is being divided into three; a third part has been added to it, but that does not help the situation.

The present tax increases will hit Canadians harder than before and I would even say that these measures are robbing Canadians of their purchasing power, which is already limited. These measures are a way of controlling people. They restrict credit and make prices go up. Therefore, this will be worse than the 1929 depression, when there was a restriction of credit accompanied by a slump in prices. These tax increases by the goverment mean that the people are being robbed always more, increasingly controlled by the civil authorities and subjected to a greater surveillance. It means that families and individuals will be poorer. It means a form of slavery imposed by the state. Whether the country is administered by the Grits or the Tories, it is always slavery.

We have never enjoyed a system bringing stability in Canada. We had crises, depressions, tax increases, reductions of the purchasing power, the burden being put on the shoulders of the taxpayers who cannot even provide for themselves, inflation and deflation, but stability, never.

Progress has to be paid by those who have realized it, by favouring those who produce

money. Financial exchange is accepted blindly. There are people occupying responsible positions who will never admit being a little irresponsible. Yet, on many occasions, their reasoning and conclusions have no factual basis. In other words, they are in complete contradiction with the facts before their eyes, especially with respect to economic policies. That kind of irresponsibility seems to develop among progressive countries as the population imagine that they are becoming more civilized and boast that their standard of living is improving. They lose the sense of reality which is only regained when circumstances drive them away from civilization or when they are the victims of major disasters.

Mr. Speaker, in the midst of our present civilization which is offering us an abundance of all kinds, we note that in our country and in our cities where stores are full of products, our fellow-citizens and the hon. Minister of Finance are thinking and acting solely in terms of money. If however, money is scarce, they are condemned to die in the presence of abundance which is in fact quite visible.

And so, Canada, a country which is developing magnificently, with a wealth in production and a great potential, subjects the pace of its production, as well as the standard of living of its citizens, to the fluctuations of the financial credit it may be granted or refused, that may be rationed or lavished, not by its producers, but according to the whims of the men or institutions which have taken control.

If the country were drawn into a war which would force it to devote a good part of its productive capacity to supplying machines of destruction or the flower of its manhood to kill or be killed, the present government would immediately cease to impose credit restrictions and would refuse to stop for lack of money. It would then think in terms of realities, of arms and materials. It would no longer want to be hampered by financial nonsense.

After the end of the war—

[*English*]

Mr. Deputy Speaker: Order. I apologize for interrupting the hon. member for Compton-Frontenac (Mr. Latulippe), but it being 9.45 o'clock p.m. it is my duty, pursuant to section 5 of standing order 58, to interrupt these proceedings and forthwith put the question on any amendment now before the house.

Division

The house divided on the amendment (Mr. Monteith) which was negatived on the following division:

• (9:50 p.m.)

Messrs:

YEAS

Addison
Aiken
Alkenbrack
Asselin (Charlevoix)
Baldwin
Ballard
Barnett
Beaulieu
Bell (Carleton)
Bell (Saint John-Albert)
Bower
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Caston
Chatterton
Churchill
Clancy
Coates
Crouse
Danforth
Enns
Fairweather
Fane
Fawcett
Forrestall
Fulton
Germa
Gilbert
Grafftey
Grills
Gundlock
Hales
Hamilton
Hees
Howard
Howe (Hamilton South)
Howe (Wellington-Huron)
Johnston
Keays
Kindt
Knowles
Korchinski
Lambert
Lewis
Loney
MacEwan
MacInnis (Cape Breton South)
MacInnis (Mrs.)
MacLean (Queens)
Macquarrie
MacRae
McCleave
McCutcheon
McIntosh
McKinley
McQuaid
Madill
Martin (Timmins)
Mather
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Nugent
Orlikow
Pascoe
Patterson
Peters
Prittie
Pugh
Rapp
Régimbal
Ricard
Rynard
Schreyer
Scott (Danforth)
Scott (Victoria (Ont.))
Sherman
Simpson
Skoreyko
Smallwood
Smith
Southam
Stanfield
Starr
Stefanson
Valade
Wadds (Mrs.)
Watson (Assiniboia)
Winch
Webb—95.

Messrs:

NAYS

Allmand
Andras
Asselin (Richmond-Wolfe)
Badanai
Basford
Béchard
Beer
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cantin
Caron
Chatwood
Chrétien
Clermont
Comtois

Division

Côté (Dorchester)	Marchand
Côté (Longueuil)	Matheson
Côté (Nicolet-Yamaska)	Matte
Cowan	Mongrain
Crossman	Neveu
Davis	Nicholson
Deachman	Noël
Drury	O'Keefe
Dubé	Olson
Duquet	Orange
Émard	Otto
Ethier	Ouellet
Forest	Pearson
Foy	Pelletier
Gendron	Pepin
Goyer	Pilon
Granger	Prud'homme
Gray	Racine
Groos	Reid
Habel	Richard
Haidasz	Rideout (Mrs.)
Harley	Rinfret
Hellyer	Rochon
Honey	Rock
Hopkins	Roxburgh
Hymmen	Ryan
Klein	Sharp
Lachance	Stafford
Laing	Stanbury
LaMarsh (Miss)	Stewart
Langlois (Chicoutimi)	Tardif
Laniel	Teillet
Lavedrière	Thomas (Maisonneuve-Rosemont)
Leblanc (Laurier)	Tolmie
LeBlanc (Rimouski)	Tremblay (Matapédia-Matane)
Lefebvre	Tremblay (Richelieu-Verchères)
Legault	Trudeau
Lessard	Turner
Lind	Wahn
Loiselle	Walker
Macaluso	Watson (Châteauguay-Huntingdon-Laprairie)
Macdonald (Rosedale)	Whelan
MacEachen	Winters
Mackasey	Yanakis—111.
McIlraith	
McLean (Charlotte)	
McNulty	
McWilliam	

• (10:10 p.m.)

Mr. Deputy Speaker: I declare the amendment lost.

Mr. Harkness: Mr. Speaker, I was paired with the Minister of National Defence (Mr. Cadieux). Had I voted I would have voted for the amendment.

Mr. Robichaud: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Irvine: Mr. Speaker, I was paired. Had I voted I would have voted in favour of the amendment.

Mr. Herridge: Mr. Speaker, I was paired with the President of the Privy Council (Mr. Gordon) who, I am sure everybody will be glad to hear, left hospital today after a serious operation.

Mr. Saltsman: Mr. Speaker, I was paired with the hon. member for St. John's West (Mr. Cashin). Had I voted I would have voted for the amendment.

Mr. Tucker: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Deputy Speaker: Order. It being after ten o'clock, this house stands adjourned until two thirty o'clock tomorrow afternoon.

It being fifteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, December 12, 1967

The house met at 2.30 p.m.

TRADE

WHEAT—ANNOUNCEMENT OF SALE UNDER AGREEMENT WITH CHINA

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I am pleased to inform hon. members that the Canadian Wheat Board, following prolonged negotiations in Canton, has succeeded in concluding a sales contract with mainland China to provide for the export of two million long tons, 5 per cent more or less, of wheat to be shipped from January through October, 1968.

This contract is under the provisions of the third long term agreement with China and consists of No. 1, 2 and 3 northern wheat and a small quantity of Durum wheat.

Assuming that the full tolerance is taken, the sale amounts to 78.4 million bushels. Including the contract covered by this announcement, total sales under the third long term agreement amount to 4.7 million tons or approximately 177 million bushels.

The long term agreement provides for a minimum of 4½ and a maximum of 7½ million tons over the three year period commencing August 1, 1966, with the amounts for each year to be negotiated separately. As in the previous contracts, payment terms for sales under the long term agreement are 25 per cent cash when each vessel is loaded, and the balance of 75 per cent in 18 months, with interest. The deferred payment provision is made possible by a guarantee to the Canadian Wheat Board by the government of Canada.

I know all hon. members will join with me in extending to the wheat board our warmest congratulations on their good work in reaching agreement on a matter which is of such importance to the Canadian economy.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I think I can speak on behalf of all members of the house when I say that we welcome the long term agreement made with the People's Republic of China. The interesting point about this agreement is that China is taking more than the minimum amounts of wheat and thus maintaining its intention which was declared as far back as 1961.

However, I think I should point out two things to the minister. One is that the Chinese are very astute and able bargainers, and undoubtedly the length of time taken over these negotiations indicates that they are determined that any faux pas made by this government and by other governments in connection with the wheat price would work to the advantage of the Chinese. Through lack of foresight on this government's part we agreed to a GATT arrangement with respect to grains that will not take effect until July 1, 1968. We were no longer protected by the international wheat agreement which, so far as price guarantees were concerned, died on August 1, 1967. The wheat farmers of the world were without the protection of a floor or ceiling price. The price of wheat, owing to the actions of merchants on the Chicago and Kansas City exchanges, dropped to around 23 cents and 24 cents per bushel.

• (2:40 p.m.)

As is their right, the Chinese have taken full advantage of this drop in price. At the same time it must be pointed out loudly and clearly that the western wheat farmers will place the blame for this drop in price squarely on the shoulders of the government.

My second point, to which I referred partially yesterday, is that no nation has been more considerate to Canada in these long term agreements than China has been. In 1961 we asked the Chinese if they would not consider setting up a trade office in Canada to facilitate the exchange of business relationships between our private business sector and their crown corporations or government selling agencies. The Chinese agreed to do that, and I did not find out until 1964 why the pledge which our government had given to the Chinese was not fulfilled. I conveyed my intelligence about this matter to the then minister of trade and commerce but to this day a pledge that was given by one government in Canada has not been carried out by a subsequent government. That is why so long as this government persists in failing to carry out something that is very necessary to keep intact the good will between our two nations, I intend to continue to bring this

point up. It is only a small matter, but if we do as we promised we shall show the Chinese people that we accept them in the world of nations where we trade with them regardless of their politics, their religion or their colour. I think it is very important to make this kind of gesture, and I hope the Minister of Trade and Commerce will move on this matter as quickly as possible and that he will not procrastinate any longer.

Mr. Ed. Schreyer (Springfield): Mr. Speaker, the announcement of the Minister of Trade and Commerce will be welcome in western Canada, and since his announcement has implications for the entire Canadian economy it will be welcome across the country. It is particularly welcome at a time of growing despondency in western Canada. Our farmers were worried that wheat exports would not be increased. Over many months grain has been building up at terminal positions. Since that grain, which was ready for export, has not been moved, the effect of the build up has been felt all the way back to the country elevators. As a result the wheat producers of western Canada have become increasingly dissatisfied and disillusioned.

Some aspects of the transaction which the minister has announced to the house are not clear to me. I am not clear about the details as to price and as to the grades of wheat that are in the main to be accepted by the Chinese pursuant to the latest agreement. I thought, as did many people, that, under the terms of the master agreement we might face considerable difficulty in exporting wheat to the Chinese, since in this year's crop we had an oversupply of high grades of wheat and an undersupply, considering the demands of the market, of low grades of wheat. I take for granted that these problems have been resolved in the transaction which the minister has referred to.

In conclusion I wish to endorse the closing remarks of the hon. member for Qu'Appelle, in which he pointed out, as he has done on several previous occasions, that the continuation of Canadian wheat sales to China, which are crucial, have a lot to do with government policy concerning whether or not China should be allowed to establish a trading office in this country.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the announcement by the Minister of Trade and Commerce (Mr. Winters) that the Canadian Wheat Board has concluded a deal with China which undertakes to purchase 2 million tons of wheat before July 1968 will surely bring comfort to the farmers of western Canada who were somewhat concerned over the situation of wheat production, particularly the sale of such wheat on the world markets.

Just as the previous speaker, I would have liked the minister to tell us the price which China will pay to Canada. Are we selling this wheat under cost price or are we making some profit on this sale? The minister refrained from any comment on the price we will receive or on the financial arrangement resulting from this agreement with China.

In any event, we must export our wheat. We are one of the greatest wheat producers in the world and we must surely export, but under the best possible conditions, so that the whole population will benefit from the deal, more particularly the western wheat producers.

[*English*]

Mr. Howard Johnston (Okanagan-Revelstoke): I am sure we in this party join with others in welcoming this important announcement of additional grain sales to China. I too would endorse the remarks of the hon. member for Qu'Appelle in which he indicated some of the subtleties involved in this trade. We know China is one of the markets which is left more open to us than many because of the reluctance of the United States to engage directly in trade with this nation.

I am a little surprised, though, that the hon. member for Qu'Appelle should leave the impression that Canada is a nation which trades without regard to politics, at a time when we are a party to a series of sanctions directed against Rhodesia. As we welcome this trade with China we should recall that our world wide attitude toward trade is not quite as open or as simple as the hon. gentleman suggested.

NORTHERN AFFAIRS

ANNOUNCEMENT OF OIL EXPLORATION PROGRAM IN ARCTIC ISLANDS

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, I wish to announce a new, major step in northern development. About 18 months ago we announced to hon. members the northern grants program to develop mineral resources. This program assisted Canadian companies operating in the territories by way of grants toward exploration costs.

Indications of oil deposits in the Arctic have been known for many years. Geologists have long recognized the potential of the area. The presence of thousands of feet of sediments combined with occurrences of oil sands and other indications of hydrocarbons have produced optimistic assessments. The prospect of major pools of oil in this region will now be tested by a Canadian company.

Using the provision of the northern grants program a new Canadian company, Panarctic Oils Limited, will invest not less than $20 million on a three year oil exploration program in the Arctic islands. Panarctic is a consortium which includes leading Canadian oil and mining companies.

The government of Canada has joined the consortium. Industry and government have co-operated in a unique relationship to undertake the exploration necessary to develop the potential of a special and unusual region.

• (2:50 p.m.)

The participating companies will invest $11 million and the government $9 million over a three year period. In return for this participation of 45 per cent of the exploration costs the people of Canada, through the government, will hold 45 per cent of the common shares and 45 per cent of the preference shares the company will issue. The government's share has been budgeted for within the existing five year program for northern development.

Should the program be extended and the exploration investment be raised to $30 million or more, the government retains the option of extending its interest pro rata. In addition, special provisions in the agreements empower the government to control the transfer of shares and therefore the degree of Canadian ownership and control.

I have a list of the 20 participants and if I may, Mr. Speaker, I would ask leave that they be inserted in the records.

Mr. Nielsen: At this point?

Mr. Deputy Speaker: Does the house give permission to have this list inserted in the record?

Some hon. Members: Agreed.

Mr. Laing: And may I ask leave to table two copies of the agreements?

Mr. Deputy Speaker: Does the minister have leave to table the said documents?

Some hon. Members: Agreed.

[*Editor's note: The list of company names above referred to is as follows:*]

Canadian Pacific Oil and Gas Ltd.
Cominco Limited
Bankeno Mines Limited
Thor Exploration Company Ltd.
Canadian Nickel Company Ltd.
Noranda Mines Limited
Bow Valley Industries Ltd.
Bocadel Oil Corporation
Dome Petroleum Limited
Dome Mines Limited
Campbell Red Lake Mines Limited
Sigma Mines (Quebec) Limited
Canadian Gridoil Limited
Conick Petroleums Ltd.
Scenic Oils Limited
Anticline Petroleums Ltd.
Excel Petroleums Ltd.
Eagle Ridge Petroleum Ltd.
Eric Connelly
Canadian Industrial Gas & Oil Ltd.

Mr. Laing: The companies will acquire stock in Panarctic concurrently with the government. On the basis of stock ownership as of December 1 the company was 56 per cent owned by Canadians; with government participation it is now 76 per cent.

The company will have interests in approximately 44 million acres of oil land through a series of agreements with the original permit holders. As a result some 60 small companies, the majority of which are Canadian, will see their interests explored under Canadian auspices. Without Panarctic many of these interests might have been lost to their Canadian owners because of their inability to finance exploration. Panarctic will control just over 63 per cent of the Arctic lands regarded as potential oil and gas bearing acreage.

Panarctic's interest in this vast acreage varies under the agreement between 50 per cent and 90 per cent. If the full $30 million program should be completed the non-resident interest in these Canadian oil lands will be less than 20 per cent.

It is gratifying, Mr. Speaker, to tell the house that this great Canadian resource potential will be assessed by Canadians and that the majority ownership will rest with Canadians. This is a unique project. It brings together a large number of interests in the private sector on the one hand and the government on the other, under one organization capable of effecting the economies so necessary in the north. Here we have a new development approach in this special region of the country, with optimistic prospects for building the economy of our northern lands.

This is a risk venture. There is no certainty oil will be found. It is certain no oil will be found unless exploration is carried out. This announcement signals the beginning of search, not certain success. I am sure the house will agree with me that the possibilities are so attractive that this venture is wholly justified.

The discovery of oil would be of immense benefits. It could conceivably change Canada's role ultimately from that of a net importer of oil to that of a net exporter, with all the consequent benefits to our balance of payments position and our economic well being generally. In that happy event new oil reserves would represent a welcome addition to the reserves of the western world in the light of the increasing demand for oil.

Marketing of any new oil found in Canada would of course take place within the framework of co-operation which has characterized our relationships with our major trading partners in this and other areas. If this venture is successful, all of Canada will be enriched.

Some hon. Members: Hear, hear.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, during the last three or four years those of us who sit on this side of the house have not had too many opportunities to say good words about what the government has done, but this is one such occasion. To make my point very loud and clear I would like to remind all hon. members of the house that the fundamental function of the federal government is to provide the Canadian economic base on which our federal, provincial and municipal governments can afford the services that our people want.

The announcement we have heard from the minister today is a classic example of the type of thing that should be done by this government, and should have been done by it over the last four years. To put the matter into perspective—and I hope all Canadians hear this—it is now estimated, as the result of several studies, that the energy demands of the world will increase over four times by the end of the century, in other words in less than 33 years. To meet that fourfold increase in demand it is estimated that the share of oil and gas will climb from 50 per cent of the current consumption to 55 per cent of the increased consumption.

This means we have to make tremendous efforts in all oil bearing regions of the world to prove the reserves available to meet this fantastically growing demand. At the present time, for example, it is estimated that to maintain a proper balance to meet currently known demands our reserves should be a certain proportion of our known demands. Using very round figures, we have to go out in the world at the present time and multiply our oil reserves by five times to provide that correct balance between reserves and demand. In the case of natural gas we will have to go out and prove up reserves 15 times over the presently known reserves to meet the demand by the end of the century.

This statement by the minister is the first indication I have seen of an effort on the part of this government to play its part in proving these reserves. The previous government did much in that regard by accepting the fact that to meet this great demand for energy it had to have some form of inventory of our resources. Without listing the programs on which we embarked I could give just a few examples to indicate the coherent approach we took after we had won the control of the resources at the bottom of the sea under international law in 1958.

These examples include a polar continental shelf exploration program which is still going on, the extension of hydrographic surveys, the setting up of an oceanography institute, and the oil and gas regulations which were put through in 1959 which dealt with the handling of these reserves in our northern areas and at the bottom of the sea off our coasts. This type of coherent program is the forerunner of the type of program the minister has just announced, because the philosophy is the same.

I should like to point out for the minister's personal benefit something I am sure he knows. In making an announcement such as he has made he is acting in conformity with a wealth of precedent in Canada. I do not want to go back as far as the C.P.R. but starting in the year 1911 there was a man on our treasury benches who had brought into this house a roads to resources program which passed this house but was turned down by the Senate. It was the same minister from Alberta, Mr. Lougheed, who brought in the program for exploration of the Arctic islands. The minister today is acting in conformity with this historic precedent.

I should like to say just a word or two about the agreement itself. With our geography and the economics being what they are, I do not think we have any choice but to accept the fact that in the northern area, particularly the Arctic islands and the land

off the shores at the bottom of the sea, the government must take the lead. In this particular proposal we have the device of the government of Canada sharing in the equity because of the risk being taken. This precedent is now being followed by nearly all the provinces. Now that the federal government has gone into this device, it corrects what I think was wrong with the exploration program or the northern grants program announced some time ago in the house. Now with the taxpayer's money going into one of these projects he has some chance of seeing his money coming back. He knows that in this type of proposal he will see it coming back manyfold.

The second point I should like to make about the agreement deals with the question of public participation. The minister in his statement pointed out that the government would have control over the transfer of shares. I wish to remind the minister that we have in effect at the present time in the oil and gas regulations dealing with the Yukon Territory, the Northwest Territories and the continental shelf a regulation which says that if any company moves to ownership in the production of wealth in this area, that company must be formed as a Canadian company and must put its shares as a public company on the stock exchanges of this country. This is the way the Canadian people will be able to participate in the ownership of these resources. Under that regulation the government and any other private company will be allowed to buy the shares if they offer enough money on the open market. This regulation is absolutely fundamental to the ownership of wealth by Canadians in a positive as opposed to a negative way.

• (3:00 p.m.)

Having made these two points I hope private enterprise, which is running this company, will operate it on sound business procedures. I am sure they will. I have in my possession a list of the companies, and I know their reputation for being hard fisted. I am sure they will watch every economic point in the development procedure. I hope these people will read my statement and get clear in their minds the fact that good practice requires the use of the tender system when they are looking for transportation to do these things in the north, so that ultimately the common carriers in Canada will be given a chance to participate in this work.

Finally, Mr. Speaker, I should like to make a point I am not too happy to make but feel that I should. Some time ago one of our members, the hon. member for Yukon, asked this question in the house:

> Has the government engaged in discussions with private oil exploration and/or drilling companies with a view to participating in the establishment of a crown corporation for the purpose of channelling public and private investment funds into exploration of the Arctic archipelago?

This question was answered on November 13. The question and the answer appear at page 4174 of *Hansard* for that date. The answer was "No". Here we have an example of government deviousness that we are trying to do away with in this house if we are to restore confidence in government.

Mr. Deputy Speaker: Order, please. I must remind the hon. member for Qu'Appelle of standing order 15 (2a). There is no need for me to read it, but perhaps I should say that statements on motions are supposed to be brief, as are replies by the spokesmen for each party. Perhaps the hon. member has concluded his remarks.

Mr. Frank Howard (Skeena): Mr. Speaker, I hope my remarks will fall within your proscription and not be unduly lengthy. At the outset I should like to say that as interesting as the statement was it is not particularly newsworthy or new, in that almost all the comments the minister has made appeared in a newspaper yesterday in an article by Jock Osier of the *Financial Times* news service emanating from Toronto. I do not care whether information of this sort comes to us by way of statements on motions or by way of press releases outside the house, but something of this sort which could have a bearing on the position of those who want to speculate on the market should be kept confidential until such time as the government discloses it in a proper way. I am not sure whether this will have any influence, but prior information of this sort could work to the disadvantage of the desires of the government.

It has long been our contention that the government has a particular role to play in the development and exploitation of the resources of this nation. The minister called this project unique, but I think it might more appropriately be described as one which recognizes the sound thinking and policies emanating from this party to which I belong over the years. I hope the government will not look upon this as unique in the sense that it will be the only one of its kind in the history of Canada, because there is ample

opportunity in other fields of activity for government participation of a similar nature.

Industry when left to itself operates primarily on the basis of the need for profit and its responsibility to shareholders. Any benefit which accrues to the nation and its people or the employees from the operations of such a company is secondary to this first need. It is the government's role to protect the rights of the people in respect of their position in the economy. The 45 per cent ownership figure mentioned by the minister suggests that action can be taken to control the movement of shares so this company can operate in a way to protect and enhance the position of Canadians.

There is one factor in respect of the number of directors of the board, not mentioned by the minister, which is of some concern. Perhaps at a later date he will let us know what this means in terms of who shall be members of the board. As the minister knows, in the development of the north we must concern ourselves not only with jobs for individuals but with social aspects and the total economy. I am sure the minister is aware of this, in view of statements he has made on numerous occasions.

In this regard we cannot relate the development of the north only to industries involved in extraction of resources, or industries which exist for the purpose of taking raw materials for export out of the area or out of the nation, which is even worse. We must concentrate on secondary manufacturing and processing industries which will process the raw materials into finished products in order that the maximum benefit will accrue to the nation and to the area. We have passed the stage when we should continue to export raw materials at a certain price and import finished products made from those materials at five or six times that price. When we do this we in effect export jobs and hinder our position in respect of the balance of payments.

Perhaps I might conclude by making a reference to a speech the minister made at a banquet on June 16 at the—

Mr. Deputy Speaker: Order, please. I must remind the hon. member for Skeena that his remarks should deal with the minister's statement. Of course there is no need for me to remind the hon. member of standing order 15 (2a) and the necessity to make replies as brief as possible.

[Mr. Howard.]

Mr. Howard: The minister's speech contained the concept of development and exportation of products to which I refer. I wanted to point out that the minister made another speech in this regard in which he pointed out that in order to maintain the rising standard of living of the Japanese people we must continue to export our raw materials and import finished products. In my opinion this is absolutely contrary to the interests of the Canadian people. I oppose any development whereby we, through this consortium or through private companies, export raw materials in order to support the rising standard of living of another nation to our own detriment. Surely this could not reflect our Canadian pride in respect of our own economy and natural resources.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the measure announced by the Minister of Indian Affairs and Northern Development (Mr. Laing) is a step forward taken by the government.

The minister announced that instead of substituting itself to private enterprise, the government is taking measures to assist it, which is a commendable aim. Besides, this is what our party has always maintained, that is, a government exists, not in order to substitute itself to private enterprise but to help the latter to develop the natural resources of a country like ours. The minister's statement makes clear that the government is about to foster the economic activity of Canada.

The minister actually stated for instance, and I quote:

[*English*]

The participating companies will invest $11 million and the government $9 million over a three year period.

[*Translation*]

This means that 20 private companies are taking the risk the minister referred to at the end of his announcement when he said:

[*English*]

This is a risk venture and I would say that the future of this country belongs to those who are not afraid to take risks. It is my belief that it would be a good move on the part of the government to interest different companies of this kind to unite their efforts in the development of our national resources.

[*Translation*]

Mr. Speaker, that policy is clearly a Canadian policy, truly progressive and

progressist, because 56 per cent of the shares of Panarctic Oils Limited will be held by Canadians, and through the participation of the government, the company will be Canadian-owned in a proportion of 76 per cent.

Mr. Speaker, we are pleased with this decision which goes squarely against socialist principles; for instance, socialists would start by nationalizing the 20 companies mentioned here, and then proceed with the development of our natural resources.

Mr. Speaker, this initiative on the part of the government to encourage companies to invest through its active participation, to my mind, constitutes an example to be followed in the future when decisions are taken in other spheres of the Canadian economic activity.

• (3:10 p.m.)

[*English*]

Mr. Bert Leboe (Cariboo): I shall be very brief, Mr. Speaker. First of all I wish to thank the minister for sending us a copy of the statement so we had an opportunity to look at it.

I have some reservations in connection with the proposal made by the minister. First of all, due to the situation in which Canada finds itself today in connection with the spending of money, the amount of money to be expended in this connection should be a consideration in deciding whether to go ahead with the plan outlined by the minister. Also, I think this proposal encourages what the municipalities call ribbon development.

In other words I believe we are being premature in what we are proposing to do. If we are to develop the north country I think it should be on the basis of a gradual development. If this were done I think the proven oil policies of the provinces would be sufficient to carry out the development and exploration. In that way development would occur in a very, very logical manner, rather than the situation under a policy that is superficially imposed, which I believe will be the case with this one. Therefore I believe we would be wise to take a close look at what we are doing in the way of precedent in connection with the whole question of development of the north country.

HOUSING

INQUIRY AS TO ADDITIONAL FEDERAL FUNDS

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to seek some information from the right hon. Prime Minister. In view of the proposals put before the conference with the provinces yesterday envisaging an expanded housing program, and in view of the apparent indication that less federal money will be available for housing next year than this year, can the Prime Minister indicate to the house when additional money might be available for this purpose?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps it would be well to await the conclusion of the conference before I or the minister attempt to make a report. As a matter of fact I should be at the conference now. I can assure my hon. friend that the proposals we have put forward do plan in advance, and it is as well to do this, for additional expenditures in the field of housing. Indeed in the forthcoming year, notwithstanding certain financial difficulties, we hope to make available more money in many important respects, for public housing and matters of that kind, than we spent last year.

Mr. Stanfield: A supplementary question, Mr. Speaker. Can the Prime Minister give the house some indication of the annual cost of implementing the proposals regarding housing made at the federal-provincial conference?

Mr. Pearson: I think we had better wait to see how the provinces react to certain proposals we have made which will require legislative change. When the conference is over we will be able to make a report covering this point.

Mr. Stanfield: Mr. Speaker, it might be helpful if we had some idea of the financial order of the proposals being made to the provinces.

Mr. Pearson: It will certainly take a great deal of money from all levels of government to deal with the housing problems that face this country.

Mr. Stanfield: Mr. Speaker, without appearing to be persistent, I wonder whether the Prime Minister can indicate to the house in round figures the amount of money required for this program.

Mr. Pearson: Mr. Speaker, I think last year it was something around $900 million, which gives an indication of the order of magnitude.

Inquiries of the Ministry

Mr. Stanfield: With your indulgence, Mr. Speaker, I would ask the Prime Minister whether the government has made a financial assessment of the amount of money involved in the proposals put before the federal-provincial conference.

Mr. Pearson: The amount of money involved will depend upon the reaction of the provinces to the proposals put forward.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to ask the Prime Minister a supplementary question.

During that conference, did several provinces inform the government of their proposed intention to deal with the problem of housing themselves, saying for instance that this matter came under provincial jurisdiction? Did other provinces besides Quebec suggest that the government should withdraw from those agreements and leave them the responsibility in the field of housing?

[*English*]

Mr. Pearson: Mr. Speaker, even those provinces which feel they could exclusively deal with housing problems are just as anxious to receive federal financial assistance.

UNITED NATIONS

CYPRUS—CONTINUATION OF PEACE KEEPING OPERATION

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the right hon. Prime Minister a question regarding the situation in Cyprus. In view of the fact that the security council is due shortly to discuss extending the authority of the United Nations forces on the island and the Secretary General's request that the matter be dealt with as one of urgency, would the right hon. gentleman inform the house whether Canada has proposed or intends to propose that the United Nations force on Cyprus be increased and that it be provided with more effective means to keep the peace than it has had until now?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there are discussions going on at the present time, as my hon. friend knows because he has referred to them in previous questions, regarding the extension of the mandate for the United Nations force in Cyprus. There are two opinions about the strength of the force if the mandate is extended. One is that the present force will be strong enough to carry out the new mandate, and there is another opinion that perhaps the force should be enlarged. No agreement has yet been reached because the matter has not come before the security council.

Our own view, Mr. Speaker, is that if the mandate is to be extended it should be extended for a rather shorter period of time than was previously found desirable, so that during that shorter period of time we can see how the arrangements are being carried out that are being discussed now with the government of Cyprus and to which the other two governments have agreed. If the arrangements are carried out successfully, then the chances for peace on the island will be greatly improved.

Mr. Lewis: May I ask a supplementary question. I am sure the Prime Minister could state better than I that peace keeping is of value if it is the start of peace making. Will the Prime Minister inform the house whether Canada alone or in association with other members of the security council has been preparing some proposals for lasting peace on that island?

Mr. Pearson: Yes, Mr. Speaker. As my hon. friend knows, the minimum proposals to deal with the present dangerous situation are now before the three governments concerned. This should be a foundation, I would hope, for the long range proposals which will be required and which we are considering with our friends.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to ask the Prime Minister if he could advise the house whether any progress has been made toward the establishment of a satisfactory formula for financing peace keeping operations in Cyprus.

Mr. Pearson: Well, a formula has been established, Mr. Speaker, but whether it is satisfactory enough is a matter of opinion. Some participants in the force are paying a greater share of the expenses than others. There are certain members of the United Nations that are not participating in any way, shape or form. This should be in every respect, including the financial, a collective United Nations organization with expenses fairly shared among all the countries.

Mr. Patterson: May I ask a supplementary question. In view of the fact that Canada is paying the full cost of keeping its contingent

in Cyprus, I wonder if the government is considering making the continuation of Canada's participation conditional upon an adequate sharing of the financial burden by other nations.

Mr. Pearson: We are not, as I understand it, paying all the expenses of our contingent, but we are certainly paying a high proportion of them. I do not think it would be wise, in the situation of emergency in which we have been and which may continue, to make our contribution to this force contingent upon an absolutely satisfactory allocation of expenses.

Mr. Donald MacInnis (Cape Breton South): I should like to ask the Prime Minister a supplementary question. Will he indicate what nation or nations are contributing to the cost of maintaining Canadian troops in Cyprus?

Mr. Pearson: I will be glad to get that detailed information. I will get a list of all the members of the United Nations who are contributing to the United Nations operation in Cyprus.

VIET NAM—POSSIBLE EXPANSION OF ACTIVITIES OF CONTROL COMMISSION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question for the Prime Minister, Mr. Speaker. Is the government engaged in discussions with the government of the United States and other governments with regard to modifying and expanding the activities of the international control commission in Viet Nam and the possible extension of its area of activity to Laos and Cambodia?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The international control commissions, as my hon. friend knows, now have jurisdiction in Cambodia and Laos. A suggestion was made by the Cambodian government some time ago that the Cambodian commission should be asked to take on additional responsibilities along the borders between Cambodia and Viet Nam. The Canadian members of the commission, and I hope the other members of the commission, would be in a position to take on those responsibilities shortly.

Mr. Nesbitt: May I ask a supplementary question. Are any discussions going on at the moment with the United States government? I ask the question in view of the fact that an announcement was made only this morning by the state department that it is the desire of the United States government to extend the activities of the commission, and an announcement by the Canadian Broadcasting Corporation that the Secretary of State for External Affairs was discussing this matter with the United States secretary of state.

Mr. Pearson: I will have to take that question as notice in order to ascertain if there have been discussions in the last 24 hours. There may have been some discussions in Brussels, a report of which I have not seen.

POLLUTION

TAX INCENTIVES TO PLANTS INSTALLING CORRECTIVE DEVICES

On the orders of the day:

Mr. R. K. Andras (Port Arthur): I should like to direct a question to the Minister of Finance relating to my question last Thursday and his reply thereto. Is he now in a position to make a definite announcement with regard to the extension of the existing special income tax provision encouraging industrial installation of equipment controlling water pollution? Is there any decision yet with regard to similar action in connection with air and soil pollution?

Hon. Mitchell Sharp (Minister of Finance): The government has decided, Mr. Speaker, that the special and accelerated rate of capital cost allowances on water pollution equipment will be extended until January 1, 1970. This additional two years will give the government time to gain experience under the proposed Canada water act.

As to the second part of the question, the government has not reached a decision. Perhaps I could illustrate the nature of the difficulty by putting this position before the house. If a mining company, for example, decided it was going to instal a natural gas furnace rather than a furnace that burns coal, would this be an air pollution improvement device? It is considerations of this kind that have led the government to believe that the treatment for tax purposes of other forms of pollution control should be the subject of further intensive study.

Hon. Michael Starr (Ontario): In view of the importance of this matter and its continuance in the future, will the government not reconsider its position, and rather than offering this incentive on an ad hoc basis put

it on a permanent basis so there would be continued federal participation?

Mr. Sharp: Mr. Speaker, the government is not at all certain that this is the best way to promote the establishment of water pollution control, and that is why the tax incentive has been extended only for two years. Indeed, the extension for two years will have the effect of accelerating improvement, because of course this kind of provision may eventually run out. The problem is very complex, and it is the government's view that we should examine our experience under the Canada water act before we reach a final decision as to whether this kind of special incentive should be continued indefinitely.

TRADE

WHEAT—INQUIRY AS TO PROMOTION OF FURTHER SALES

On the orders of the day:

Hon. George Hees (Northumberland): I should like to address a question to the Minister of Trade and Commerce. In view of the recent announcement of a record world harvest of grain during the past crop year, and in particular Russia's increase to 40 million tons during the past 12 months, will the minister outline what the wheat board considers to be Canada's prospects for selling wheat in world markets during next year?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker. I thank the hon. member for giving me notice of his question. Actually the over-all production was down only a little this year. The international wheat council estimates that world wheat production in the current year is down slightly from the 1966-67 record. However, because production is more evenly distributed than in the previous year, the wheat council estimates that world wheat trade will decline 4 million tons from the 1966-67 level of 56 million tons.

As I have stated before, this is a tougher competitive year than we have been enjoying. While we cannot contemplate an export total as good as that of the last two years, wheat shipments are picking up as is evidenced by my announcement of a few minutes ago, and as importing countries use up their own crops.

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a supplementary question for the Minister of Trade and Commerce. With respect to the minister's announcement to the house today that the terms of a further sale of wheat to mainland China have been completed, can he indicate when wheat sold under this new contract will begin to move into the market, and into what price range does this sale of wheat fall?

Mr. Winters: I will start moving into the Chinese market in January and continue through October. As to the price range, it has not been the practice to reveal such information because of the adverse effect it might have on world trade in wheat, which we all want to further.

Mr. George Muir (Lisgar): Mr. Speaker, I have a further supplementary question for the minister. Can he tell us whether there is any stipulation in the agreement with regard to the percentage of the various wheat grades which the Chinese will accept during the life of the agreement?

Mr. Winters: Yes, there is, Mr. Speaker. The percentages roughly are No. 1 northern, a maximum of 20 per cent; No. 3 Manitoba northern, a minimum of 25 per cent; No. 2 Manitoba northern constitutes most of the balance except for a small amount of No. 3 amber Durum to which I referred in my statement.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a supplementary question to the Minister of Trade and Commerce.

The minister stated at noon that 25 per cent of the purchase price of Canadian wheat by China would be paid in cash and the remaining 75 per cent will be paid within 18 months and bear interest. Is the minister in a position to say what interest rate will be demanded from China?

[*English*]

Mr. Winters: It is related to the current bank interest rate. But, as I said before, it has not been the practice to divulge these commercial details; therefore I think I should refrain from doing so.

Mr. Ron Basford (Vancouver-Burrard): I have a supplementary question, Mr. Speaker. Would the minister tell us whether all the wheat involved in this sale will move to China through the port of Vancouver?

Mr. Winters: Not all of it, Mr. Speaker, but for some of us in other parts of the country there will be a disappointingly high amount.

Inquiries of the Ministry

[*Translation*]

DOMINION-PROVINCIAL CONFERENCE

DOCUMENTS AT TOURISM CONFERENCE IN ENGLISH ONLY

On the orders of the day:

Hon. Martial Asselin (Charlevoix): Mr. Speaker, my question is addressed to the Minister of Trade and Commerce.

The minister of tourism of the province of Quebec stated yesterday that he refused to attend the conference on tourism because the preliminary documentation sent to the provinces was written only in the English language. I should like to know whether the minister can explain to the house why this preliminary documentation supplied by his department and sent to the provinces was written in only one of the two official languages of the country.

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): I am unaware of that point, Mr. Speaker. The province of Quebec is very ably represented by Mr. Prévost, the assistant deputy minister. I might say that I was very pleased and impressed by the spirit of harmony which prevailed.

[*Translation*]

Mr. Asselin (Charlevoix): A supplementary question, Mr. Speaker.

Does the minister know that the documents preliminary to that conference were sent to the province of Quebec in English only?

[*English*]

Mr. Winters: No, Mr. Speaker, I was unaware of that point but I will look into it to find out the reason, if that was the case.

[*Translation*]

Mr. Asselin (Charlevoix): I have another supplementary question, Mr. Speaker.

Since the hon. minister is not aware of that, would it be possible for the documents coming out of his department to be written in both official languages, in order to meet the requirements of some provinces?

[*English*]

Mr. Winters: I think it is only right and proper. It is a fair request, and I will see it is done.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY— REQUEST FOR RECONSIDERATION

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the right hon. Prime Minister. Has he received telegrams from the mayor of Charlottetown and the Prince Edward Island command of the Royal Canadian Legion urging that the government reconsider the decision announced by the President of the Treasury Board last Thursday and proceed as promised with the construction of the Northumberland crossing? If so, has a favourable reply been sent to these very concerned people?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the telegrams arrived at my office this morning but I have not yet had time to reply to them.

REQUEST THAT PARLIAMENTARY COMMITTEE MEET IN ATLANTIC PROVINCES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I should like to direct my question to the chairman of the committee on transport and communications, the hon. member for Hamilton West. Can he indicate whether, since his return to Ottawa, he has had any consultations or communications with the Minister of Transport with regard to the proposed visit of the committee to the Atlantic provinces, and can he report what progress has been made in this regard?

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, on my return yesterday I met with the Minister of Transport regarding the tour by the committee of the Atlantic provinces. As to the time, the agenda and other arrangements, these have not yet been finalized. I will be meeting with the minister again tomorrow and I will then be able to call the steering committee together to make a further report and discuss the procedures with them.

Mr. Coates: I have a supplementary question, Mr. Speaker. Can the hon. member indicate whether he was informed of the minister's intention concerning the reference to the committee of the special study on transportation in the Atlantic provinces?

Mr. Macaluso: Mr. Speaker, this will also be discussed with the minister at that time.

Inquiries of the Ministry

PUBLIC SERVICE

REPRESENTATIONS AS TO SALARY INCREASES FOR SCIENTIFIC PERSONNEL

On the orders of the day:

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I should like to answer a question put last Friday by the hon. member for Winnipeg North. At the outset of my answer I should like to draw attention to the fact that a number of employee organizations are now working very hard to gain and hold members among various groups of public servants in an effort to win bargaining rights under the provisions of the Public Service Staff Relations Act.

As of October 1, 1965, a new service-wide research scientist class was introduced, replacing a number of former departmental classes. The employees concerned received salary increases averaging 9.2 per cent as of July 1, 1965. Since that time their average salary has risen from $10,810 to $12,653, an increase of 17 per cent.

I am pleased to be able to tell the house that there is no evidence that research scientists are leaving the public service in significant numbers. The turnover rate of less than 5 per cent, which has taken place in the past 18 months, is regarded as acceptable.

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. In view of the strong protests made by the professional institute and their charge that commitments made to them have not been kept and that the decision made by the treasury board has been unilateral, would the minister be prepared to meet with representatives of the professional institute to discuss the objections they have raised?

Mr. Benson: First I should like to assure the hon. member that any commitments made by this government have been kept—

Mr. Knowles: Oh?

Mr. Benson: —in this regard. I should also like to tell the hon. member that we are entering into collective bargaining and we will be meeting with the various employee groups as their contracts come up for negotiation.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REVIEW OF CANADA-U.S. AGREEMENT

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct my question to the Minister of Industry. In view of the fact that Canadian and United States officials are now meeting to discuss the Canada-United States auto pact, can the minister assure the house that every effort will be made to guarantee that Canadian citizens will be able to buy cars made in Canada at the same price as they are sold to United States citizens?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I do not know that I can give any such assurance in view of the fact that, as I think the house is well aware, the federal parliament has no jurisdiction over retail prices.

Mr. Hales: I have a supplementary question, Mr. Speaker. Would the minister be in a position to say whether or not the officials will be discussing the inclusion in the new agreement of replacement auto parts?

Mr. Drury: I cannot give any assurances as to what will be included under future arrangements. The matter of current model replacement parts has been under discussion on both sides of the border for some time, and this problem will be examined during the course of the review.

POST OFFICE DEPARTMENT

LIBAU, MAN.—PROTEST ON TRANSFER OF POSTMASTERSHIP

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Postmaster General and it arises out of a Canadian Press report that last night and again this morning residents of a certain Manitoba town have physically prevented the putting into effect of the Postmaster General's order for the transfer of the postmastership and post office in this town. Is it the intention of the minister to call on law enforcement officers in order to enforce his order?

Mr. Deputy Speaker: Order, please. I do not think this is the type of question that should be asked at this time.

Mr. Schreyer: On a point of order, Mr. Speaker, I wish to point out that the situation has a potential for violence. I should like to know from the Postmaster General what action he intends to take to deal with the situation in that town.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I can assure the hon.

member that there was no violence at all at Libau, the post office to which he is referring at present.

In reply to his first question, I may say that, on some earlier occasions, the Post Office Department had to require the help of the police to transfer a post office from one location to another, but I do not think this is necessary in the case of Libau.

[*English*]

Mr. Schreyer: A supplementary question, Mr. Speaker. Could the Postmaster General say whether his ministerial order was made on the advice of the district postal director in Winnipeg or whether it was made as a result of his political advisers at the headquarters level?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, we never hire a postmaster without consulting the district directors. We are now trying, at Libau, to guarantee some stability to the post office location. Indeed, in the last four years the store in which the post office is now located has been sold three times, and in those four years we had to change the postmaster three times.

[*English*]

Mr. Schreyer: Mr. Speaker, the minister—

Mr. Deputy Speaker: Order, please. The hon. member is debating the question.

[*Translation*]

CRIMINAL CODE

AMENDMENTS RESPECTING BREATHALIZER TESTS AND LOTTERIES

On the orders of the day:

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, the hon. member for New Westminster (Mr. Mather) asked yesterday, before I got to the house, when the government expected to introduce its bill on driving under the influence of alcohol. I should like to repeat that the government undertook to introduce that bill during the current session. I trust that, with the co-operation of the members, it will be before Christmas.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to direct a question to the hon. Minister of Justice.

Does the minister intend to move, before the Christmas adjournment, his amendment to the Criminal Code dealing specifically with lotteries?

Mr. Trudeau: Mr. Speaker, the answer is the same as the one I gave to the question concerning impaired driving; it is part and parcel of the same omnibus bill of amendments to the Criminal Code. In fact, I hope that it will be introduced before Christmas.

[*English*]

DEFENCE PRODUCTION

INQUIRY AS TO TENDERS FOR DESTROYER ESCORTS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Defence Production. I wish to thank him for the information he gave earlier this afternoon and to ask him in connection with the tenders which closed today for the four new d.d.h.'s whether he can give some indication to the house of how long it may take his department to analyse these complicated contract tenders?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, these are quite complicated submissions for tender and they are in two forms. They have just been received and we shall proceed as expeditiously as possible, with the Department of National Defence, to complete the analysis. I should not like to estimate a deadline for the completion of this work, particularly since the advent of the Christmas holiday will interrupt it.

Mr. Robert McCleave (Halifax): A supplementary question, Mr. Speaker. May I ask the Minister of National Defence to take into account the proposals that were advanced by the Halifax city council when the department makes its decision to award contracts?

Mr. Drury: Mr. Speaker, I think we shall take into account all relevant considerations.

SHIPBUILDING

REQUEST FOR RESTORATION OF SUBSIDIES ON FISHING TRAWLER CONSTRUCTION

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, my question is directed to the Minister of Fisheries. In view of the great concern that has been shown by some since the Minister of National Revenue announced cuts in the subsidies for the construction of fishing trawlers, and in view of the representations which have been made by fishing companies and by those operating shipyards,

Inquiries of the Ministry

would the minister use his influence with the Minister of Finance in order that the 50 per cent cut in subsidies might be restored?

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, I wish to advise the hon. member that to this day I have received no such representations. Furthermore, I think the hon. member is well aware that during the current year the federal government will pay in subsidies under the ship construction program over $24 million to shipyards with respect to steel vessels, and the Department of Fisheries will pay close to $6.5 million to shipyards with respect to the construction of wooden vessels.

Mr. MacEwan: A supplementary question, Mr. Speaker. In view of the remarks that the minister made not long ago in a shipyard in my constituency and the remarks of the president of that company which appeared in the Halifax *Chronicle-Herald* two days ago, will the minister go to the Minister of Finance and ask whether the amount that was cut can be restored?

Mr. Robichaud: Mr. Speaker, I have received no such representation from the parties the hon. member referred to.

Mr. MacEwan: The minister should read the Halifax *Chronicle-Herald.*

Some hon. Members: Oh, oh.

Mr. Robichaud: It is not always exact in its reports.

NATIONAL DEFENCE

NATO—POSSIBLE REASSESSMENT OF CANADA'S MILITARY ROLE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I do not know to whom I should address my question. I intended to address it to the Prime Minister but he is not here. Perhaps I ought to address it to the acting minister of national defence or to the acting prime minister, or, perhaps I might address it to the parliamentary secretary to the Secretary of State for External Affairs.

Mr. Deputy Speaker: Order, please. I suggest to the hon. member for Greenwood that he should ask his question immediately.

Mr. Brewin: I am about to do that, Mr. Speaker. Was the Minister of National Defence stating the policy of the government when he said in Brussels the other day that Canada should be thinking of abandoning her nuclear air role in NATO for a support role? Is the Canadian government seeking, as the minister indicated in his remarks, the agreement of Canada's NATO allies to a political decision which would modify Canada's role in the Atlantic alliance before the forces goals for five years are approved?

Mr. Deputy Speaker: I think that question ought to be addressed to the Prime Minister when he is in the chamber.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. H. R. Ballard (Calgary South): Mr. Speaker, I wish to address my question to the Acting Prime Minister. In view of the straightforward statement this afternoon by the President of the Treasury Board that the government always lives up to its commitments—

Mr. Knowles: He qualified that.

Mr. Ballard: —I wish to ask the Acting Prime Minister if superannuated civil servants and retired members of the public service can look forward with some hope to an increase in their pensions, as has been promised by the government on several occasions?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I wish to answer that question. The government did not make a commitment in this regard. I simply stated that it was my own feeling that what the hon. member suggests should happen.

VETERANS AFFAIRS

PROPOSED CONSIDERATION OF REPORT ON PENSION COMMISSION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Veterans Affairs. Would the minister refer the Woods report, after tabling it, to the various veterans organizations as requested by some of them?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I shall decide that when I have the report. I am afraid I cannot answer the question in the affirmative at this time.

Mr. Chatterton: A supplementary question, Mr. Speaker. Will the minister say whether he will refer this report to the standing committee on veterans affairs?

Mr. Teillet: I have already answered that. Until I have the report before me and have had a chance to look at it, it will be impossible for me to answer the hon. member's question one way or another.

Mr. Chatterton: A further supplementary question, Mr. Speaker. Am I to take it from the minister's reply that whether he will refer the report to the committee depends on the nature of the report?

UNITED NATIONS

INQUIRY AS TO SIGNING OF DECLARATION ON POPULATION

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, since the Prime Minister is at the housing conference and since I have waited for some time to ask my question, perhaps I might be allowed to put it on the record. Was the Prime Minister invited to sign the declaration on population which was signed by 30 heads of government, including those of the United Kingdom and the United States? Also, was Canada represented at the ceremony at the United Nations yesterday when this declaration was presented to the Secretary General?

Hon. Robert Winters (Minister of Trade and Commerce): I shall take that question as notice, Mr. Speaker.

• (3:50 p.m.)

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, December 11, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, on October 11, 1967, I had the honour to participate in the debate which had been resumed on the budget presented on the 1st of June and to make my own comments.

I mentioned, among other things, that the spectre of inflation was more and more threatening in this country and that the fight started by this government should be intensified and should get the support and cooperation of every level of government, in short, of the whole community and of every citizen.

I also mentioned that the government, on account of the urgency of the situation, could be compelled to take drastic steps if conditions did not improve. Among those measures, I mentioned the possibility of levying a special and temporary tax.

At this stage, Mr. Speaker, I will pause to say that strangely enough, that speech was not mentioned a single time in the information media—except, as far as I know, in the November 1967 issue of *La Revue du transport routier du Québec*—while the bills on money and postage stamps were loudly publicized throughout the country, due to the opposition members.

At this time, I think it would be advisable and wise to stop and ask ourselves whether this country has not reached the saturation point in its fiscal and tax system.

I find my answer in an article published in the Ottawa *Citizen* on the 6th of December 1967. I quote:

[*English*]

Certainly our income tax levels are lower than those of most other western nations. But income tax levels are only a fragment of the total picture.

The yardstick we are concerned with is total taxation at all levels of government. The basis for international comparison is the percentage of gross national product—the total value of goods and services produced in the country in a year—that is absorbed by governments.

One of the most recent compilations, for the 1964 taxation year, looks like this:

Country	Total taxes as percent of GNP
France	37.6
Sweden	36.6
West Germany	34.9
Norway	34.3
United Kingdom	29.4
Belgium	28.8
Denmark	28.1
Canada	27.3
U.S.	27.1

[*Translation*]

You will notice with me that Canada ranks eighth on this list.

Since we precede by 0.2 per cent our main competitor and supplier, the United States, we must surely continue to ask ourselves, and this seriously, whether our country has not reached the saturation point as far as taxes and taxation are concerned?

Mr. Asselin (Charlevoix): May I ask the hon. member a question? If he really believes that the Canadian people has reached a saturation point concerning tax increases, should he not denounce his government for these increases that the Minister of Finance (Mr. Sharp) imposed as a result of his last budget?

Mr. Leblanc (Laurier): If the hon. member will let me finish my speech, he will see that my argument takes his question into account.

The special and temporary tax which I mentioned in my speech of October 11 last has now been proposed by the Minister of Finance and has been set at 5 per cent of the amount of the basic tax assessed on an individual in excess of $100. This surtax will take effect on January 1 and would remain until we have completed the transition to a slower rate of growth of expenditures or until economic and financial conditions call for a change in our fiscal policy.

Knowing the honesty and intellectual integrity of the Minister of Finance, I am satisfied that this tax will really be temporary, and I am sure that the minister is willing to give his word to all Canadian taxpayers that this is a temporary measure which will last only as long as the needs remain and which will be withdrawn as soon as the above-mentioned conditions are restored.

I note with pleasure that this surtax does not apply to small wage-earners until the following annual income has been reached: $2,500 for an unmarried taxpayer, $3,500 for married people without any dependent and $4,000 for a married taxpayer with two children entitled to family allowances.

If you look at the tables showing how the 5 per cent surtax applies, you will realize also that the taxpayer whose annual income does not exceed $10,000 will not have to pay a huge amount in additional tax.

In fact, an unmarried taxpayer will pay about 17 cents a week, a married man without children, 14 cents and a married taxpayer with two children entitled to family allowances, about 12 cents. Therefore, the main burden of the surtax will be borne by the taxpayers whose income exceeds $10,000. The maximum amount payable by that category of taxpayers will be $600.

In my speech of October 11 last, I said this:

> At the present time, those who earn less than $5,000 pay too much tax compared to the other taxpayers, and the Minister of Finance should make the required adjustment.
>
> [Mr. Leblanc (Laurier).]
>
> Still, the full burden should not be placed on the shoulders of those citizens who earn from $5,000 to $10,000, thereby creating another injustice while wanting to remedy the first error.

I am gratified to find that in this 5 per cent surtax at least, the principle laid down in my speech has been observed and I hope that in the tax reform being considered by the Minister of Finance, the experts who advised him will continue along the same lines so as to maintain this principle of equity for all taxpayers, a principle based on a scale which is better balanced with the revenue.

It goes without saying that a tax increase is never popular. The Minister of Finance surely did not take his personal interest into consideration when he presented his budget on November 30. He and his colleague, the Minister of National Revenue and President of the Treasury Board (Mr. Benson) are showing an exemplary courage and a rare strength of character in the present circumstances by asking the people to tighten their belt still more and to enter a period of austerity.

The past has shown that tax increases and austerity programs are not wise measures from the political point of view in Canada, because they are always very unpopular.

• (4:00 p.m.)

However, the intellectual development of our population which is the result of better schooling and an improved system of education in my opinion makes it possible for Canadians to understand better today that these measures were necessary to check the disastrous consequences of inflation. All of us in this house must stop being demagogues and explain to the people that these measures will stop the inflationary rise in prices and in the cost of living, which endanger our economic stability. At the same time, we must stop making too many demands on the capital market and, instead, pay for our social security programs.

According to a recent Gallup poll, the federal government is bluntly blamed for the present high cost of living. More than 6 adult Canadians out of 10, that is 65 per cent, believe that Ottawa could have done more to stop the price spiral. It is in Quebec that you find the largest number of dissatisfied citizens in this regard, that is 70 per cent. In western Canada, it is 68 per cent, while in Ontario, this percentage decreases to 60 per cent. Here is the question which was asked:

> Do you think that the government could have done more to stop the rising cost of living? Or do you think that this rise is due to other factors over which the government has no control?

This poll must open our eyes and lead us to wonder whether the federal government is actually the only one responsible for inflation, in brief whether it is the only one to spend large sums of money in Canada.

It is a fact that our expenditures have increased by 92 per cent between 1957 and 1967, but this is about the same percentage of our gross national product as 10 years ago, and a little below that of 5 years ago. During that period, we have lowered our taxation rate in favour of the provinces, while the expenditures of provincial and municipal governments have increased at a faster rate than federal expenditures. In fact, they have increased from 11.1 to 18.6 per cent of our gross national product, while federal expenditures have remained at a fairly constant level during this period, that is 16.4 in 1956-67 and 16.8 in 1967.

Of course, there is no question of blaming the provinces and the municipalities for this, because they have been facing increasing responsibilities with the years. It is just a matter of setting out the facts in order to enlighten the people as to those actually responsible for inflation.

We should not forget, either, the important and ever-growing role of the trade unions with respect to wages increases, and consequently, production costs and price increases. Surely there is a need for greater restraints in regard to increases in prices, wages and other sources of cash income, such as rents, dividends and interests.

Another factor which has also contributed to inflation is related to the large corporations. During the last years, we have seen that profits of Canadian corporations were definitely too high. Today, we realize that this situation is improving, but I think this inflationary factor should be neither denied nor ignored.

In addition, we have seen land and real estate speculators often realizing exorbitant profits, and I am sure that such feverish speculation has definitely helped to bring about the inflation problem we are experiencing today.

Finally, we should add perhaps that Canada is quite sensitive to the reactions of the world markets and especially to the reactions of the American market. It has been shown, beyond the shadow of a doubt, that the inflationary period is not a phenomenon particular to Canada but that, on the contrary, several countries, at the present time, feel that calamity more severely than we do and, for instance, I simply have to mention England.

Now, Mr. Speaker, I come to the conclusion that the rise in the cost of living is due, for a major part, to factors over which the government has no control.

The Minister of Finance has devoted a special paragraph to his program of fiscal reform as a result of the Carter report. He tells us that, due to the representations of the Canadian people with regard to that report, the government considers that our taxation system should undergo considerable reform which should take into account the needs of the country but should not interfere with the progress and proper development of the Canadian economy. Our present system is not completely and absolutely bad and it is impossible to reject it all, although it has often been patched up haphazardly over the years at the whim of successive ministers of finance. It is high time it was completely reviewed and the required solutions were applied, in keeping, to a certain extent, with the recommendations of the Carter commission.

I wish to take this opportunity to protest a third time in the house against the capital gains tax, for all the reasons given in my two earlier speeches, but I will refrain from stating them again, so as not to extend this debate unduly.

When the white paper on tax reform is drafted, I hope the minister will take into consideration all the protests made against the capital gains tax and that, in addition, he will consider the possibilities I have already mentioned in the house, in order to encourage Canadian investors to contribute more to the development of our natural resources, that is to increase from 20 to 50 per cent the exemption on dividends paid by Canadian companies; to raise tax exemptions on research costs, to raise tax exemptions for companies developing natural resources and particularly in the case of Canadian companies; to allow companies to deduct from taxable income double the costs incurred by them for the education of their active or unemployed workers; to allow the head of a family to deduct from his income the money spent on the education of his children; to take the necessary measures so that the Minister of National Revenue will completely abandon the field of succession duties or tax on donations so as to enable the provinces to legislate exclusively in these areas; to take a more realistic attitude and raise the statutory

exemption on charitable gifts and medical expenses from $100 to $200.

Naturally, I leave it up to the fertile imagination of the minister and his experts to find the other formulas required to stimulate the Canadian economy suffering at the present time from a temporary trouble which might prove disastrous if it becomes chronic.

I am convinced that the Liberal government will find early remedies and that all Canadians, whatever their racial origin, will be able to face with equanimity a higher standard of living in a geographic, political and economic unity with social and cultural diversity.

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, in taking part in this debate on the budget or, as the Minister of Finance (Mr. Sharp) has dubbed it, the financial message, I want to congratulate him on his performance in setting new records. I must say that they are very outstanding records indeed. I doubt that in the near future or for a long time to come any minister of finance will be able to match the outstanding records he has been able to achieve in such a short time. We here who are closest to the affairs of government, and Canadians generally, have come to know him as the minister who has set records.

We have come to know him as the minister who has the highest interest rates in the history of this country, who has the highest cost of living in the history of this country, who has the highest expenditures in the history of this country, who has the highest prices, who brought about the highest taxation, who brought about the highest inflation, who has had the highest budgets, who has introduced more budgets than anybody else in such a comparatively short time, and who has made a mess of housing in this country. Mr. Speaker, what has Canada done to deserve all this?

Some hon. Members: Hear, hear.

Mr. Starr: In my opinion this budget is an example of sloppy financing. It is not even a budget because the minister himself has termed it a financial message. It is just a taxation measure tacked on to taxation measures that we already have before us. We did not even have a white paper preceding it. Under this government budgets have become casual things, brought in on a haphazard, hit-or-miss basis. All that Canadians have learned from this exercise is that the government is fiscally unfit. What we are asking it for is a return to fiscal fitness.

• (4:10 p.m.)

We are asking that he let us have expenditures related to need and bearing some relation to objectives. Let us know what the objectives are, let us have priorities, and let us have some order in government expenditures. The Leader of the Opposition (Mr. Stanfield) has made the point that the government has so tied its hands by uncontrolled and unco-ordinated expenditures that it now has no room for the essential needs of this country.

In these days of bilingualism I should like to refer to Lafontaine's fable about the grasshopper and the ant. This government has been the grasshopper. All summer long it has played about. The members of the government brought in a June budget full of sunshine and light; they gave no thought to the cold winds of December. But like the grasshopper in the fable they come knocking at the taxpayers' door in December begging for a handout.

New taxes are being levied for one simple reason and one simple purpose, to meet the bills which the government has run up and cannot pay because it can no longer borrow owing to the lack of confidence. This is the only reason for this financial message and the additional taxes imposed on the people of this country. The government has lost the confidence of those people from whom it has borrowed money in the past. These people have now dictated to the government that it must impose additional taxation on the people in order to restore their confidence in the government so that it can go to the market again. I would not be surprised if they dictated the terms of the taxation and the areas of taxation because only the small taxpayer is feeling the impact of the taxes contained in this financial message.

The Minister of Finance indicated that the government would be cutting back on housing by slowing down direct lending. This will produce a disastrous effect on construction and on the ability of Canadians to acquire housing. They have removed one dollar of the subsidy on hogs and lambs. It had to be done; their extravagance left them no choice. But why should Ontario and Quebec farmers pay for the wild-eyed schemes of the government? They cut $480,000 from the estimate for the Company of Young Canadians for next year. Mr. Speaker, why wait until the

economy is against the wall? Why did the minister not impress upon his colleagues the facts of life long before now, long before the cold days of December? Why did he wait until December to tell them what he should have told them in June of this year?

The Leader of the Opposition in his remarks last week shot down in flames the spurious claims of future savings by this government. For the first time in a democratic world and in a democratic form of government the people and parliament have been told what is going to happen in the next fiscal year. Of course this is not the first time the Liberal party has offered a pie in the sky, Mr. Speaker, but I believe it is the first time they have tried to cut it while it was still in the sky. The government finds itself moving in an increasingly restricted area. I am greatly disturbed by the indications. I know that the municipalities all across Canada will be disturbed that there is no program of assistance for them. The majority of our population is now living in the cities. When one looks at this budget one concludes that the government is completely unaware of this fact.

At this time I should like to refresh the minister's memory with a reference to the submission of the Canadian Federation of Mayors and Municipalities on November 6. The mayors fully supported the reference in the report of the Economic Council of Canada as follows:

> —there has long been widespread concern about the mounting deficiencies of our cities and the heavy backlogs of essential improvements.
>
> Shortages and inadequacy of urban housing, traffic and transport problems, air and water pollution, the confused jumble of conflicting land uses, decaying neighbourhoods and monotonous suburbs, urban poverty and social disturbance, steadily rising property tax burdens and the frustrations of municipal administration—

One of the most serious of those frustrations is the financial strait-jacket in which the municipalities find themselves. The problems enumerated which affect municipalities also affect 70 per cent of our population living in urban areas. Yet this government seems completely unaware of the urban problems inasmuch as there is no provision in this budget to deal with these matters. Instead of moving to produce results in the field of housing and urban renewal and deal with some of the other problems the government is slowing down its already lethargic pace in these fields.

It is my intention, Mr. Speaker, to be as constructive as possible in dealing with the present chaotic situation in which we find ourselves because, after all, as Canadians we are embroiled in this chaotic condition brought about by the government. We must face up to it and try to do the best we can under these circumstances. Even the minister will admit that the fact that the government has to come along now and ask for money within six months of a full budget which was followed by a reassuring statement in October, just two months ago, is an indication of uncertainty on its part. I say, Mr. Speaker, that Canadians generally are fed up with paying through the nose for the extravagance of this government.

Some hon. Members: Hear, hear.

Mr. Starr: All across the country people cannot afford to buy homes. If they could afford to buy them, there are not enough to meet the demand. If they do buy them the price of everything necessary to maintain a home is sky high. If they do not buy a home they must rent and rentals are sky high. They can go into a high-rise apartment and pay a high-rise rent. If they have anything left the minister takes it away in the form of taxes. The government is spending $11 billion this year and Canadians right across this country are asking: What are we getting for it? The government has reduced the defence forces, but now we find that the reduced forces cost more than the expanded forces.

• (4:20 p.m.)

The minister said that he was cutting down by increasing expenditures by 4.5 per cent. This is the way he has been cutting down all along. The government has been following a policy of inconsistency. In April, 1965, they reduced taxes by 10 per cent. In March, 1966, they increased taxes, and in December, 1966, they increased the old age security and sales tax. In June, 1967, they took the tax off tranquilizers and in December, 1967, they are increasing taxes again. They have not yet put the tax back on tranquilizers. We are now living in a high cost, high tax and high spending economy because of the government's inability to deal with the situation.

The minister has lost control of inflationary tendencies in the country because he cannot control inflation in his own government's spending. The government is in trouble because of their own lack of restraint. They have once more had to increase taxes because of their inability to meet their obligations.

The Minister of Finance is now in a position where he has been forced to increase taxes at a time when unemployment has risen and there is a softening in the economy. Lay-offs have been spreading across the country. We in the opposition have brought this to the attention of the government and have inquired as to what action they are prepared to take to soften the blow of unemployment and provide other jobs. Prosperity in this country is being siphoned off, and some who have never reached prosperity have had their situation worsened by the heavy indirect taxation caused by inflation.

The problem we must deal with is that of rising costs and prices. The governor of the Bank of Canada has warned us about this, as has the Minister of Finance. Everyone is concerned except the minister's colleagues.

Housing is an integral part of this nation's economic and social health. Nothing is more indicative of the government's inefficiency than the way in which they have created havoc in respect of housing. Again this year we are going to be 25,000 houses short of the number Canadians need. The government is making available in 1967, through direct lending and limited dividend housing, close to $500 million. According to those who know, this will provide about 35,000 homes at $15,000 each. However, we need approximately 200,000 homes per year to take care of our population needs. Inflation has hit hard at the housing market by placing the price of homes beyond the reach of most Canadians. The house builders association stated in Toronto on November 30 that the cost of an average new home in metro Toronto has jumped in the past 18 months to $30,000 from $24,000. Surely in view of this the minister must realize that not many Canadians today can afford homes in that price bracket. What are they supposed to do?

The government has made mortgage money somewhat more available through high interest rates, but I cannot emphasize too strongly that this is a device to help those who are better off. Most Canadians cannot afford to buy, rent or borrow at present prices. There is no question that up until the current year the government has been using housing as an instrument to slow down the economy. In the past few months they have begun to realize they have gone too far, but it may be too late now for action to have beneficial effects in the present winter months. These are the months we should worry about, in addition to the long range attitude the government should take in respect of this very important matter.

The minister knows, I am sure, that there were 30,000 fewer jobs in construction as of October this year than there were a year ago. He must also know that the number of building permits for dwellings issued up to the end of August totalled 111,360. This is an improvement over last year but it is still far from encouraging in view of the tremendous backlog of housing demand and need which the government has allowed to grow because of its inactivity in this field.

Let me also point out that industrial production is not picking up as it should. In the first nine months of this year it was only up 2.7 per cent over last year. As a measure of economic growth this is not very encouraging. When the Minister of Finance presented his financial message to the people of this country the other day he showed that this government has lost touch with reality. He made the incredible statement that his policies had brought about a recovery in housing. It is true there has been a slight increase in housing activity and in private borrowing, but surely the minister must know what has happened to prices. Does he not realize what housing costs are at this time? Is he not aware that a new home in Canada is out of the reach of 75 per cent of Canadians? Has he not read the statements of the home builders association in this regard and is he not even aware of the report submitted to his own government and tabled by the Minister of Labour (Mr. Nicholson) predicting only 160,000 housing starts next year? In spite of all this the minister in his financial message gave a very clear indication that one area in which he intends to cut back, is this very sensitive and needed area of social capital represented by housing. To do this at this time is nothing short of a social injustice of the worst sort.

There is one other point I must make in relation to the minister's budget statement. He is not being above board with the Canadian people when he predicates his expenditures for next year without taking medicare and the Expo deficit into account. Surely the minister cannot leave out whatever does not appeal to him. If he does so, what sort of fiscal jockeying is this? The minister knows that medicare is now part of the law of the land. The Prime Minister has said in the house over and over again that medicare is to be brought in as provided by the legislation. The question now is whether this is or is not government policy. If it is then the

minister knows full well that his figure of $10.3 billion is nothing but a joke.

Mr. Sharp: May I ask the hon. gentleman a question? Does he know which provinces are coming in and, if so, perhaps he will inform me?

Mr. Valade: The minister should inform us.

• (4:30 p.m.)

Mr. Starr: It is certainly very interesting to have the Minister of Finance asking me for information as to which provinces are prepared to enter the medicare program. It is strange to be asked this question when this government has announced with a great deal of publicity its intention to bring in medicare and has said that the provinces are waiting for it. The government said that the whole country was waiting for it and insisted on introducing the legislation. Yet now the Minister of Finance asks if the provinces have indicated to me whether they are prepared to join the program.

Mr. Sharp: I asked the question, Mr. Speaker, simply because the hon. gentleman seems to assume that everyone should know and I therefore assumed that he must know. I do not yet know what the position of the provinces may be.

Mr. Starr: If the Minister of Finance does not know he had better find out soon—

Mr. Sharp: We will in due course.

Mr. Starr: —because the law says that medicare will come into effect on July 1, 1968.

Mr. Sharp: No, it does not.

Mr. Starr: So the minister has only about seven months in which to find out. This points up the manner in which this government is running the affairs of the country and the relationship it has with the provinces. The government boasts about co-operative federalism, but this points up that they have failed in this area also.

The Minister of Finance has said that medicare will add $500 million; yet I am told that his colleague the Minister of National Revenue (Mr. Benson), when appearing on television just the other day, said it would cost only about $80 million.

Mr. Sharp: No, he did not. And I did not say that, Mr. Speaker. I said we would have to raise $500 million in order to pay our share, namely, half, and the Minister of National Revenue agreed with this. The Minister of National Health and Welfare (Mr. MacEachen) agreed too.

Mr. Starr: If my information is wrong I certainly do not wish to accuse the minister of making that statement, but I am told that the Minister of National Revenue said on television that it would cost only $80 million. So instead of $10.3 billion the expenditures of the Minister of Finance next year will be closer to $11 billion. And what about Expo? The minister says he is going to write that off.

Mr. Sharp: Mr. Speaker, I am sure the hon. gentleman wants to understand the situation. We have already raised the money for Expo; the only question is how it will be accounted for. I really feel the hon. gentleman is trying to misrepresent the very valid reasons why I excepted these two matters.

Mr. Starr: This is the first information I have received that the money has been provided for. As an ordinary Canadian and member of parliament I have been led to believe that we had to consider the Expo deficit in next year's budget.

Mr. Sharp: Yes, but just so there is some clarification here I would point out to the hon. gentleman that the money has been raised and spent. The question is, how is it to be accounted for, how much in respect of the Quebec government and how much in respect of the federal government? Until we have settled Expo accounts we will not know what the amount is. Moreover, we do not have to worry about this money; the money has all been raised and spent. It is simply a matter of accounting. Therefore this does not affect my cash figures.

Mr. Starr: Evidently financial provision was not complete in all its aspects because during this debate we have had to elicit more definite and detailed information from the minister, as has just been demonstrated. It is enlightening to know that Canadians will not have to pay the deficit for Expo because, as the minister says, the money has been raised and it is just a matter of bookkeeping. I am sure that Canadians as a whole will now be pleased to pay the 5 per cent surtax in view of the fact they do not have to pay anything for Expo.

This government has to stop clowning around. It has to be honest with parliament and the people in giving information as to where we are going. It is about time the

government got down to the business of running the country. I believe that the minister and the government have shown a regrettable inability to manage the fiscal affairs of this nation. So far as the Minister of Finance and his colleagues in the government are concerned it has been a case of stop and go, chop and change.

In 1962-63 the government collected $1.7 billion in income tax. In 1966-67 the government is collecting more than double that amount from the individual taxpayer. As of Thursday, November 30, the amount was even higher. The government is collecting $350 this year in personal income tax from every person employed in Canada. In sales and luxury taxes it is collecting a further $45 this year from every employed person in Canada. It is collecting a further $60 per year from every employed person in Canada in cigarette, beer and liquor taxes. As the hon. member for Perth (Mr. Monteith), who made such a worth-while contribution when speaking on behalf of the official opposition, asked the other night: Where does it all stop?

This government is saying to Canadians: You will drink less and smoke less. You will accept an inferior standard of housing. You will pay more for necessities or do without. You will do without luxuries and accept austerity. This is in order that the government can go on with its high spending policies. On November 28 the Winnipeg *Free Press* had this to say:

> This request—

for increased taxes.

> —is a naked confession of the government's repeated budgetary blunders. There would be no need for new taxes in November if Mr. Sharp had not totally misconstrued the nation's prospects in June.

It is not the minister's confession which is naked; it is the taxpayer after he gets the bill. The government's deficits have grown more and more unwieldy, without corresponding benefits. The Prime Minister (Mr. Pearson) was quoted in the Edmonton *Journal* of December 16, 1963, four years ago, as saying:

> We accept deficit financing providing it does what it was intended to do—put people to work.

Now we are getting deficit financing without putting people to work. In October, for example, unemployment throughout the economy was 59,000 higher than a year earlier. In manufacturing there 66,000 fewer jobs than a year earlier. In construction there were 29,000 fewer jobs than a year earlier. In November unemployment was 51,000 above last year. The seasonally adjusted rate is 4.3 per cent compared with 3.7 per cent last year.

But I do not think the Minister of Finance should be too severely blamed for all this. After all, he is in a high-stepping crowd in the cabinet and I am sure that, try as he might, he cannot control them. I refer, for example, to the President of the Privy Council (Mr. Gordon), his colleague who dreams about big, bad American bankers under his bed. Then there is the former minister of defence who is now in transport, and the Secretary of State for External Affairs (Mr. Martin). They are both big spenders. There is the Registrar General (Mr. Turner) who is in the throes of creating a new department. He is a big spender.

In view of all this, how can the Minister of Finance, a former deputy minister, control boys like those I have enumerated? And I have enumerated just a few. It cannot be done, Mr. Speaker. This is a government of big spenders. Then, of course, there is the right hon. Prime Minister, with his Company of Young Canadians and the war on poverty. All these things cost money. The poor Minister of Finance runs up and down wringing his hands and saying, no doubt: Please, fellows, not again. This must happen at every cabinet meeting. If the Minister of Finance goes to Treasury Board he really has to plead. But these fellows—

• (4:40 p.m.)

The Acting Speaker (Mr. Rinfret): Order. I regret to interrupt the hon. member for Ontario but the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mr. Rinfret): Is there unanimous consent to permit the hon. member to continue?

Some hon. Members: Agreed.

Mr. Starr: The Minister of Finance pleads with these colleaguess of his who are such big spenders. They pay no attention to him and do you know why, Mr. Speaker? They do not have to pay any attention because they do not have to pay for these things themselves. The taxpayers of Canada pay for them. In the past five years the government has raised its budgetary expenditures from $6.8 billion to $10.3 billion. They have had total deficits of $1.8 billion. This has taken place in an expanding economy. I say frankly that the

government has created inflation. I pointed out to the Minister of Finance when I asked him a question that Canadian 50-cent pieces minted this year are now selling over the counters of responsible and respectable stores at $3 to Canadians. I venture to say there are more 50-cent pieces in the United States that are going to be sold to Canadians at fabulous prices, perhaps $4 or $5. This government creates inflation.

Mr. Sharp: Is the hon. gentleman suggesting that we raise the price of silver?

Mr. Starr: I am not suggesting that at all.

Mr. Sharp: Oh, come, come.

Mr. Starr: Surely the minister must agree that every Canadian has a right to pay only 50 cents for a 50-cent piece?

Mr. Sharp: They can have two quarters which have exactly the same value.

Mr. Starr: This is the arrogant attitude of this government. They are not considering the taxpayers of this country when they answer in this way.

Mr. Sharp: There is no shortage of quarters, absolutely none.

Mr. Starr: I say to the minister that the government did not invent inflation; inflation did not start by itself. This government created inflation in this country.

Mr. Sharp: We created it in the United States and in Britain too?

Mr. Starr: Inflation in the United States is not as great as it is in Canada. The cost of living index in the United States has not gone up as high as it has in Canada. Expert economists say definitely that if the cost of living index rises over 2.5 per cent in one year there is cause for alarm.

Mr. Sharp: Yes, I have said that too.

Mr. Starr: How much has ours gone up in the past year?

Mr. Sharp: More than that.

Mr. Starr: You're darned right, it has gone up more than that. This is the kind of mess into which the government has gotten the country. The people of this country cannot get essential housing. The prices are out of reach or housing is non-existent. Prices have gone sky high. The government cannot make up its mind about anything, Mr. Speaker. The government's inability to follow a sustained pattern has been most destructive of confidence in this country. Evidently the Minister of Finance does not know where to turn. Obviously he has no control over events or over his colleagues. It is for this reason that there can be no confidence in the government. It does not know where it is going from one day to the next.

Mr. Roxburgh: Mr. Speaker—

The Acting Speaker (Mr. Rinfret): If the hon. member wishes to ask a question he should do so from his own seat.

Mr. Starr: Does the hon. member want to ask me about the Rhodesian tobacco that is being shipped into Canada from South Africa?

Mr. Roxburgh: It is not coming from South Africa. I just wanted to ask the hon. member a question. We always listen to him with interest. I was not in the house when he started his speech but I came in as he was talking about medicare. I wanted to ask the hon. member what his feelings are toward medicare. Should medicare be implemented on July 1 as this house indicated?

Mr. Starr: My feeling is exactly the same as it was when the bill was debated in the house. I voted for the principle of medicare. I am definitely against the universality of medicare. I think medicare should be available on July 1, 1968 to those Canadians who want to take advantage of it. It should have been available on July 1, 1967.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am pleased to be able to participate in the budget debate, particularly in view of the emphasis which my colleague the Minister of Finance (Mr. Sharp) placed on the importance of productivity improvement as a restraining influence on prices and costs. I will be dealing with a new program which I suggest will make a major contribution in this direction. This program will be another in a series of measures which this government has introduced over the past several years to help achieve this objective, namely, an improvement in productivity. I am particularly glad to see in the house at the moment the hon. member for Northumberland (Mr. Hees) who has asked on a number of occasions to be informed what this government is doing to improve productivity. I will, as a consequence, take a few moments to mention some of those measures which

will also serve to provide a background to the important new arrangement which I propose to outline this afternoon.

As hon. members will recall, one of the first programs which the Department of Industry introduced shortly after its formation was the automotive program. This program, as all hon. members know, is designed to promote growth, efficiency and employment opportunities in a most important sector of the Canadian economy. Following this my department then focused on the need to encourage and substantially increase research development and activity in Canadian industry, with the purpose of developing a technological base from which new projects and processes for world-wide markets can be developed. As a result we introduced the program for the advancement of industrial technology and also the industrial research institute program which puts universities in a position to supply research and development services to Canadian industry.

At the same time the new Industrial Research and Development Incentives Act, passed by parliament, came into effect. As members will recollect, this act, imposed upon previous measures for this purpose, makes the incentives more widely available. These three measures, I believe, go a long way toward assisting industry upgrade and expand its technological activities.

I should also mention that the Department of Industry has assumed responsibility for the shipbuilding subsidy program. This is being reintroduced on a new basis whereby the efficiency of this industry will be progressively improved. A further most important program which my department has introduced, and about which I spoke this morning at the federal-provincial conference on housing is the BEAM program. This program, whose purpose is to increase the production, manufacture and use of building materials, equipment and accessories, should contribute significantly, if it continues to enjoy the support which it already has received, to a reduction in the cost of housing.

• (4:50 p.m.)

Sound industrial design is an increasingly essential factor in improving productivity. In this area the Department of Industry has initiated a comprehensive program including design promotion, research and product development, design education, and design information.

Finally, the adjustment assistance program which provides loans and remissions of duty on production machinery to automotive parts producers is an important element in assisting this industry to become more efficient in order to compete on a North American basis.

Although this is not an exhaustive list, I believe it gives hon. members an over-all view of the kind of activities in which the Department of Industry is engaged. As I stated in the standing committee of the house when the estimates of the Department of Industry were examined last June, the improvement of the productivity of a major sector of our economy is a very exciting challenge. No one can dispute the difficulties of obtaining immediate and measurable results, and yet it is a task which must succeed. My department has accepted this challenge.

At this stage I should like to make a statement on a new measure which has been formulated by my department and to which I made reference earlier.

Mr. Barnett: Before the minister proceeds with his statement, would he mind answering a couple of questions arising from what he has already said? The first one arises out of my curiosity with regard to the derivation of the name of the B.E.A.M. program. It was not explained in the background papers of the conference.

My second question is with regard to the minister's reference to the shipbuilding subsidy program. Was he simply referring to the phased-out subsidy program which was announced some time ago by the former minister of transport, or is he announcing what is in effect a new program which will be a substitute for the one I mentioned?

Mr. Drury: In response to the first question let me say that the initials B.E.A.M. stand for the first letters of the elements to which this program is directed, namely building, equipment, accessories, and materials. It also has the advantage not only of encompassing this list but of being in itself a word related to the construction business.

As regards the shipbuilding subsidies, the program to which I referred was not a program of phasing out but one of a progressive reduction in the subsidies hitherto paid to shipbuilders, combined with technological advice and assistance to the shipbuilding industry so that as a consequence of increased efficiency the shipbuilding industry as a whole would find itself in no less of an advantageous position than it was under the higher subsidies.

As I said, I would now like to advise the house of a program for machinery envisaged under the proposed tariff item 42700-1 which is set out in the ways and means resolutions on the customs tariff tabled on November 6. This program is of major significance as a means for encouraging the development of efficient Canadian industry.

The proposed tariff item 42700-1 covers annual imports of machines, as well as accessories, attachments, control equipment, tools and parts for use therewith, amounting to approximately $700 million. It will replace 18 items in the customs tariff and, in addition, will cover certain equipment used with machines which are at present dutiable under other tariff items. The categories of machinery affected by the proposal are, in general, those used by the manufacturing and service industries. Some miscellaneous mechanical products for domestic use are also affected but they represent a small fraction of the total importation involved. The reason for their inclusion is that in accordance with tariff board guidance they are classed as machines and, consequently, covered by item 42700-1 which extends to all machinery not otherwise provided for in the tariff.

For the most part, machinery which will be classifiable under the new tariff item is at present being imported as a class or kind made in Canada at rates of 10 per cent British preference, 22½ per cent most favoured nation, or as a class or kind not made in Canada at rates of free British preference and 7½ per cent. The new item provides that the rates of duty on all goods falling thereunder will be 2½ per cent British preference, 15 per cent m.f.n. The "class or kind" distinction will disappear. In addition, it provides that remission of duty may be granted by the governor in council on the recommendation of the Minister of Industry when such remission is in the public interest and the machinery being imported is not available from production in Canada.

The primary objective of providing for remission of duty in this way is to encourage the development of efficient industry by allowing users of machinery to acquire capital equipment at the lowest possible cost and at the same time enable machinery producers to derive maximum incentive and encouragement from the tariff which will now apply, with a greater measure of certainty, to the products they manufacture. If Canadian manufacturers are to increase productivity and be competitive in international markets, it is of vital importance that they acquire the most modern and efficient machinery. Remission of duty on advanced equipment which is not available from production in Canada will make an important contribution in this regard. Tariff item 42700-1 provides important advantages to producers of machinery as well.

First, the proposed rate of 15 per cent most favoured nation provides a reasonable measure of protection having in mind the tariff rate of other industrial countries pursuant to the Kennedy trade agreement. For example, when the United States reductions are fully implemented, their corresponding rates on machinery will range from 5 per cent to 8 per cent. Other corresponding rates are: United Kingdom, 7½ per cent; E.E.C., 5 per cent to 8 per cent; Japan 7½ per cent.

The second advantage to machinery producers is that the new tariff rate will apply to any product which they can produce as soon as they are in a position to supply, and this represents a substantial change from past practice. Under present tariff provisions, a Canadian made machine is not entitled to "made in Canada" status and the related level of production until such machines account for 10 per cent of domestic consumption in that class. The effect of these provisions has been that the well known "infant industry" argument for tariff protection has been applied in reverse in Canada. When a company is in the early stages of production, little or no protection is provided, but once it is in a position to supply 10 per cent of domestic consumption, substantially increased tariff protection becomes available, and defences against dumping begin to apply.

This situation will be corrected with the introduction of the machinery program. All machinery imports under the new tariff item will be subject to the same statutory rate, and remissions will not be granted unless there is no reasonable availability from Canadian production.

This matter is of particular importance to Canadian producers of custom engineered machines. Under the present tariff provisions, these producers may not be able to benefit from the tariff related to "made in Canada" machinery and, in addition, they are not protected against dumping because they are unable to demonstrate, with legal validity, that they have supplied 10 per cent of Canadian consumption. The facts might be that such custom engineered machinery has

never been made anywhere and, therefore, it is impossible to develop a statistical base for applying the 10 per cent rule. When such situations arise at present, decisions as to what rate of duty will apply must be derived from strictly formal interpretations of the law rather than giving effect to what was the probable intention of earlier legislators.

The third advantage for machinery producers is that remission of duty can be granted in respect of production parts classed under tariff item 42700-1 which are not available in Canada. While the governor in council has authority under section 273 (L) of the Customs Act to establish temporary tariff items to permit entry of production components at a free or reduced rate, the new item will provide increased flexibility in dealing with machinery components on a case by case basis. This flexibility is expected to stimulate machinery manufacturing by encouraging specialization and assisting producers to compete more effectively.

• (5:00 p.m.)

While the major objective of the new item is to assist the development of efficient Canadian industry, the proposal has important additional advantages. This change in the machinery tariff was of great value in enabling Canada to pay for tariff concessions offered by our major trading partners in the Kennedy round. Moreover, it constitutes a major simplification in tariff administration with correspondingly greater certainty for both producers and users of machinery.

Negotiation of the machinery proposal was difficult and protracted since removing the formal class or kind distinction required that goods under tariff items being replaced which were classified as "not made" would carry higher statutory rates. In practice the effective rates would be reduced by virtue of the operations of the new remission system.

Trading partners agreed to our proposal in the end on the understanding that an overall reduction of duty would result because remission would be granted on imports of machinery not available from production in Canada. However, they insisted that in order to treat the machinery proposal as a tariff concession by Canada there be some guarantee that it would, in fact, lead to a reduction in total duties collected on the machinery involved.

As a consequence, Canada gave an undertaking that the average annual incidence of m.f.n. duty under 42700-1 would not exceed 9 per cent. This undertaking is tantamount to saying that at least 40 per cent, by value, of future m.f.n. imports under 42700-1 will consist of machinery not available from production in Canada and consequently duty will not be collected on them.

I would emphasize that this undertaking does not involve any risk for Canada. Even though domestic machinery production is growing, a large volume of our total machinery requirements will continue to be imported and, as at present, the largest portion of such imports will comprise machinery which is not available in Canada. During recent years, about 60 per cent of the machinery imports which will be covered under 42700-1 were ruled as being of a class or kind not made in Canada. In 1966, the figure was closer to 65 per cent and this pattern is expected to remain relatively stable. Accordingly, we anticipate no difficulty whatever in meeting our commitment on average incidence.

Another important advantage of the machinery tariff proposal is that it will eliminate the use of distinctions in the customs tariff between machinery of a "class or kind made in Canada" and "not made" in respect of a major portion of our imports and thereby remove a long-standing source of appeals and litigation with corresponding problems for Canadian industry and for customs administration as well.

The purpose of such "class or kind" distinctions in existing machinery tariff items, as stated at the time the most important of them were introduced, was to provide for reduced rates on production machinery not directly competitive with machinery produced in Canada. Also, various statements made by ministers at that time indicate that the words "class or kind" were to be subject to practical rather than legalistic interpretation. This was the basis of customs interpretation applied until about 1950.

By that time the difference between the rates of duty for "made" and "not made" items, which had steadily widened over the years, had become a strong incentive for importers to seek ways to bring their goods within the definition of a "class or kind not made in Canada". The annual volume of imports was also increasing rapidly. Accordingly, increased tariff litigation resulted.

In broad terms, the precedents established by litigation have resulted in a gradual movement away from applying the "class or

kind" concept on the basis of practical judgment toward narrow interpretations based on explicit legal determinations. The ever-present possibility of further litigation tended to create uncertainty for machinery producers regarding those categories of machines which they could expect would be protected by the "made in Canada" rates. Similarly, importers would not be certain in respect of the duration of an existing "not made in Canada" rate.

Because of these uncertainties, as well as the costs and delays involved in litigation, both machinery producers and users have made representations over the years that a more practical approach to the original objective of the "class or kind" provisions should be developed. In fact, some of the suggestions have been quite similar to the present machinery tariff program.

While discussing the unsatisfactory aspects of "class or kind" distinctions in respect of machinery, I should also point out that trading partners have frequently objected to them as well. The reason is that low rates of duty on "not made" goods are inherently unstable and can move to protective "made in Canada" levels by administrative action without further negotiation. Thus trading partners contend they have no assurance of continued access to the Canadian market at the low rates. Indeed, they had come to the view prior to the Kennedy round that they would not regard as concessions any tariff reductions which carried a "not made in Canada" qualification.

The procedure for dealing with applications for remissions of duty on machinery is straightforward. Importers who find that their machinery requirements are not available from production in Canada may apply to the Minister of Industry for a remission of duty, either before or after actual importation takes place. These requests will be referred to a machinery and equipment advisory board, established by the governor in council pursuant to the Department of Industry Act, composed of a chairman with a broad experience in commercial policy and the deputy ministers of finance, national revenue, trade and commerce, and industry. The purpose of this board will be to advise the Minister of Industry regarding the eligibility of machinery for remission of duty in accordance with the provisions of item 42700-1. The Minister of Industry will, in turn, advise the governor in council who will have final authority in granting remission.

The machinery and equipment advisory board will proceed on a practical basis rather than the present legalistic and formal approach. Its findings will be based on facts of the case and on practical considerations. In evaluating applications, the board will be assisted by the specialized branches of the Department of Industry which will carry out the factual and analytic back-up work.

In considering applications for remission, the advisory board will have regard for two basic tests. First, it will want to know whether the machinery being imported is available from production in Canada and, second, it will wish to satisfy itself that it is in the public interest to recommend that a remission of duty be granted. The criterion of availability in Canada is to be understood as follows: Machinery is to be deemed available in Canada if at least one manufacturer has proven capability to manufacture machinery which, in so far as its range of physical qualities, operational characteristics and efficiency are concerned, is reasonably equivalent to the machinery for which relief of duty is being sought.

• (5:10 p.m.)

Proven capability may be deemed as existing in Canada if: (a) the full range of technical and physical capabilities necessary for the production of the machinery for which remission is sought exists within the normal operational framework of at least one manufacturer; and (b) such facilities have in fact produced machinery which, in the judgment of the Board, has demonstrated a production competence reasonably equivalent to that required to produce the machinery for which remission is sought.

The criterion of public interest will be applied, in its broadest sense, in relation to the main objective of the machinery proposal, namely, that of encouraging the development of efficient Canadian industry. It is understood that in the main importations of machinery contribute to the maintenance, improvement and expansion of efficient industrial activity in Canada. In the typical case, therefore, remission of duty would be regarded as being in the public interest in cases where such machinery is not available from production in Canada. Such remission should assist manufacturers to be more competitive by reducing their capital costs. There may be instances, however, where the machinery and equipment advisory board finds final authority in granting remission.

firm are clearly inconsistent with the development of efficient Canadian industry. In such exceptional instances, the board may advise the minister that remission is not in the public interest.

Provision is being made for appeals from the findings of the machinery and equipment advisory board in respect of applications for remission of duty under tariff item 42700-1.

Appeals will be referred to a review board composed of three members from outside of government. Such a board will be established by the governor in council pursuant to the Department of Industry Act to deal with cases as and when they arise. The chairman would be selected because of the disinterested vantage point which his experience and position in the community would enable him to take, and the two other members may be drawn from those sectors of industry that are important users and manufacturers of machinery. The review board, like the advisory board, will be expected to take a practical rather than a legalistic view of cases coming before it.

When the machinery and equipment review board is of the opinion that remission should be granted in any case on which the advisory board had recommended to the contrary, the Minister of Industry would normally accept the review board's findings and recommend remission to the governor in council.

In any case where the review board supports an appeal that relief of duty should not have been granted, the advisory board will be guided by the review board's findings in respect of future applications for remission on the machinery in question. However, such an opinion could not be regarded as a firm precedent, since the facts about availability of machinery from production in Canada will be constantly changing.

At this point, I would like to comment on the market for machinery, and the characteristics of Canada's machinery industry.

The predominant feature of much of the industrial machinery and equipment market is that competition is international and severe. No industrial country can hope to produce its total machinery requirements. The range of products is too diverse and manufacturers in various countries have developed specialized products with which it is uneconomic to compete. In 1964, for example, the United States imported industrial machinery amounting to $900 million; U.K.—$1.015 billion; West Germany—$1 billion; Japan—$595 million. All these figures are expressed in United States dollars.

Since competition tends to be international in character, it is important for a nation's machinery industry, particularly in an economy of Canada's size, to aim at manufacturing an increasingly selective range of machinery designed and priced to be competitive in both domestic and export markets. This achievement would help to offset, in our balance of trade, necessary imports of other machinery which cannot be manufactured domestically on an economic basis.

The basic characteristics of the Canadian machinery industry are that it is largely foreign owned, produces a wide range of products in relatively small volume, and is oriented toward the domestic market which has been protected by a relatively high tariff. In many cases, therefore, little product development is carried on, and economics of scale and specialization have not been achieved to any significant degree.

The fact that the Canadian machinery industry is largely foreign owned is at once its principal strength and weakness. The industry's diversity, know-how, and steady expansion since world war II are largely due to the initiative of foreign corporations which established subsidiaries to exploit the advantages arising from proximity to the market, a modest but long-standing tradition of excellence in the metal working industry, competitive wage scales, and tariff protection. However, the resulting orientation of production of parent designed machines toward the domestic market—since markets outside Canada have been largely supplied by the parent corporations or their other subsidiaries—has limited Canada's machinery exports, reduced opportunities for volume production, and discouraged the development of machines of unique design and performance. There are exceptions, of course, in respect of the extent of design and production engineering being carried on in Canada. These are principally in the field of heavy equipment for use in the resource and primary materials industries, as well as in harnessing electric power.

Part of the machinery industry is, I should add, Canadian owned. While the companies are modest in size, they have demonstrated a great deal of initiative both in design and marketing in the domestic and export market. Some of their achievements are quite remarkable.

The Acting Speaker (Mr. Tardif): Order. I regret to interrupt the minister but the time allotted to him has expired. Does the house give the minister unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Rapp: Not for too long.

Mr. Drury: I thank hon. members. I shall drone on for about a minute and a half longer.

Mr. Hees: Drone away, as long as you remain non-controversial.

Mr. Drury: It is noteworthy also that many of the important contributions to design in these cases have been made by citizens who have immigrated to Canada.

If the development of the machinery industry is to be sustained, it must keep pace with advancing technology in a market which is becoming increasingly international in character. The overriding interest of machinery users in obtaining the most advanced capital equipment is compelling machinery builders in every country to take a critical look at both their manufacturing methods and their products to determine what improvements and research and development are required.

Fortunately, there are encouraging signs that Canadian machinery producers appreciate the necessity for adjusting to these circumstances, and are making various arrangements with their parent corporations to do so. These include moves toward greater specialization, broadening sales policies to include export markets, and expanding design engineering activity. Evidence of these trends to date includes the improved export performance of the industry in recent years, the decisions made by some parent corporations to assign responsibility to Canadian subsidiaries for the manufacture of particular products for international markets, and the industry's increasing participation in the Department of Industry's program for the advancement of industrial technology.

There is good reason for optimism about the future of the Canadian machinery industry. The requirements of our manufacturing and service industries for machinery in the general categories classifiable under tariff item 42700-1 are now about one and a quarter billion dollars per annum. The machinery producers' share of this market has been growing steadily and now amounts to almost half of the total. Further, some of these producers have shown that they can supply specialized products in world markets which are competitive both in respect of design and price. The Kennedy round will provide greatly improved opportunity for expansion along these lines.

• (5:20 p.m.)

I believe that the Canadian machinery industry should be able to cope with the competitive conditions which lie ahead and grow steadily provided, of course, it continues to display imagination and initiative, together with a willingness to adjust. I am confident that the machinery program will impart a strong thrust in the direction of higher productivity in the machinery industry, reduced costs in industry generally, and a better performance of the economy as a whole.

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, at this stage it is not my intention to try to make a major contribution to the budget debate. By this I mean a major contribution covering the whole spectrum of financial and fiscal problems confronting the country, which have been discussed by the minister the other evening and during the debate which has taken place over the past five or six days. At the same time, if my contribution is not major from the point of view of the spectrum it covers I hope it will not be unimportant because there is one specific and particular aspect of fiscal policy and financial affairs to which I want to devote myself and which I think demands some attention, requires some interrogation, and deserves some answers and illumination.

The basic message of the Conservative party with respect to the fiscal and financial affairs of the country, with respect to the economic crisis in which we are currently trapped and with respect to the minister's budget speech, has been clearly and carefully enunciated by the leader of this party and various other hon. members, including the hon. member for Perth (Mr. Monteith), the hon. member for Kamloops (Mr. Fulton), the hon. member for Ontario (Mr. Starr), and several other hon. members who are highly qualified to discourse on this subject at some length and who have made important and compelling contributions to the debate. Anything I could add in the areas with which they have concerned themselves would probably be nothing more than an exercise in gilding the lily. So, Mr. Speaker, as I suggested a moment ago I am not going to

attempt to cover the broad range and spectrum of fiscal and financial ills. The speakers to whom I have referred have done so in an eloquent and illuminating fashion. However, I do wish to place myself on record as agreeing with and subscribing to the general view of my party so far as the budget is concerned and so far as the financial and fiscal affairs of the nation are concerned.

At the present time there is a motion picture playing in movie houses in various Canadian cities. It is called "The Flim-Flam Man". I think its title can be applied most significantly, carefully and meaningfully to the Minister of Finance (Mr. Sharp) and his colleague the Minister of National Revenue (Mr. Benson). The budget exercise of the past week must indeed be regarded as an exercise in flim-flam. If there is any flim-flam man operating in the nation at large at present it is the Minister of Finance, and if there is anyone assisting him in that exercise it is the Minister of National Revenue, for never in the life of this parliament, which now spans almost two years, have we seen such an exercise in flim-flam as the so-called budget that these two ministers have attempted to foist on this national legislature and on this nation.

The government's so-called savings program, as announced by the two ministers to whom I have referred, is certainly an exercise in flim-flam, double-talk and hypocrisy. No Canadian who has any experience or connection with the business and industrial community, any connection with the corner grocery store, any connection with the fundamental function of bringing up a family and running a household, is going to be fooled by the kind of semantics offered to this house when the budget was introduced and later offered by the Minister of National Revenue when he rose to attempt to defend, rationalize and explain what he described as a serious commitment to savings and to cut-backs in public expenditures.

As I have said, sir, there is really one specific area about which I want to talk, although there are a number to which I would like to devote some attention. Like other Canadians, those who live in my constituency, Winnipeg South, are still waiting for answers to questions dealing with the fiscal and financial area. They are still waiting for answers to legitimate, reasonable, sensible requests that have been advanced by this side of the house during the course of the past two years but which have so far fallen on deaf ears.

[Mr. Sherman.]

I speak of such requests as our suggestion for elimination of the 11 per cent sales tax on building materials, a tax which militates most severely against construction in cities like my own, Winnipeg. I speak of our request for some action in the area of the cost of living, the cost-price squeeze and the cost-price spiral which now hold hundreds of thousands, yes, millions of Canadian taxpayers, home owners and housewives in thrall, indeed in slavery. I speak of our request for some kind of relief, some kind of escape from the oppression currently being suffered by pensioners, in all categories, including superannuated civil servants, senior citizens and war veterans. The whole community of pensioners is a community in thrall, in slavery, existing in extreme difficulty if not absolutely suffering at the present time as a consequence of the run-away influences and pressures in this country, about which the government has done nothing during the two year life of this parliament.

We have also advanced a legitimate request for action in the area of income tax relief for small home owners in so far as the real estate taxes on their houses and properties are concerned. We have made the legitimate suggestion that real estate taxes on owner occupied homes should be deductible from taxable income for income tax purposes, at least up to a certain level of deduction.

These are among some of the suggestions we have made to prime the economy and restore the faith of the people in the financial affairs of this country, to inspire and generate the populace to a new pride in the jobs, professions and undertakings they carry out for Canada, and to create a new excitement about Canada. We have made these suggestions during the various budget debates in the two year life of this parliament and in the throne speech debates at the opening of both sessions of this parliament.

These are subjects to which I could devote the full time allotted to me under the rules during this debate but they are being covered by other speakers. All I want to do at this time with respect to such items is to mention them and again place on the record the fact that we on this side of the chamber, and I am personally speaking for my own constituency, urgently request the government to take a look at these items, among others. Let members of the government examine their books, hearts and consciences to see whether or not some of the difficulties, some of the enslavement in which Canadians

are currently trapped can be relieved if not totally removed by bold action, by improvisation, by experimentation, by leadership along the lines of the proposals we have made.

• (5:30 p.m.)

In moving from that section of my remarks to the nub of the speech I should like to make I reiterate again that we urge the government to remove the 11 per cent sales tax on building materials and to adopt and experiment with some of the suggestions which have come from this side of the house with regard to the cost of living. We urge the government to take action to remove the chains from the pensioners of this country in all categories. We urge the government to take a look at the substantial investment the small home owner has in this country and grant him some relief from income tax along the line of the realty tax deduction to which I referred a moment ago.

Having said that I wish to come to the specific item I should like to present to the Minister of Finance at this time, that is, the issue of the new 1967-68 series of Canada savings bonds. It seems to me that the whole history in respect of this bond issue is symptomatic of the manner in which this Liberal administration has mismanaged national financial affairs in Canada today.

The original idea in respect of Canada savings bonds was to develop and establish the savings habit on the part of ordinary Canadians. The original philosophy was that there should be an incentive to exercise thrift and good management among the average taxpayers, among ordinary Canadians like those who sit in this house and those at home who sent us here. At the time the savings bonds program was introduced in Canada there were relatively few vehicles available to the public which offered a secure savings medium that was convertible to cash on demand. There were not very many avenues to which an average wage earner could turn in order to find a good solid investment. Moreover, there were not many investments of this type which were immediately convertible to cash on demand in times of need. Therefore the savings bond vehicle filled a void in the life of the average Canadian in the context of his financial life. Philosophically it provided a valuable assist to the legislators and leaders of this country who, while devoting their attention to preparing more serious political issues, wished to encourage good, sound financial and monetary habits as much as they possibly could.

The philosophy of encouraging thrift and good management on the part of Canadians on every main street in every town and village was a highly laudable one. This, however, no longer is the case. There are now a great many institutions, vehicles and avenues through which the average Canadian can obtain every benefit which originally was available to him only through the savings bonds. Institutions such as trust companies, insurance companies, mortgage dealers, financial houses and mutual funds offer untold opportunities for the small Canadian to make an investment which will provide him a good rate of return and offer him immediate convertibility into cash if and when needed.

As I say, there are today many vehicles and avenues of this type because, as no one in this chamber would deny, times have changed. Times have changed financially, fiscally and socially. They have changed as much in this area as they have in any other area of Canadian life or in any other sector of the Canadian community. With the change of times apparently there has also come a change in government thinking in respect of savings bonds. As an illustration of this point one need look no further than the fact that whereas once the maximum amount an individual could hold in Canada savings bonds, war bonds, or whatever they were called in the original concept, was $5,000 the maximum has now been raised to $50,000.

There are not very many average wage earners in this country who have $50,000 to invest in Canada savings bonds or in any other investment. I doubt that this point would be seriously challenged in this chamber. So from this provision in respect of this series of bonds one can only draw the very obvious inference that the government no longer is seriously concerned about the original philosophy behind Canada savings bonds. What the government is now planning to do by means of Canada savings bonds is raise money to bail it out of trouble.

There are probably many Canadians who could invest $5,000 in Canada savings bonds and a few who might be able to stretch it to $10,000, but how many ordinary Canadians can invest $50,000? The only people who can invest $50,000 are the wealthy Canadians, the affluent investors, the capital money lenders, the people who deal in loans, bonds, investments and securities day in and day out every week. These people know the market, know the business and have the kind of money to invest in projects of this type.

There is nothing wrong in changing the philosophy in respect of Canada savings bonds or in getting away from the philosophy of encouraging the average Canadian to invest by this method. There is nothing wrong with raising the ceiling to $50,000 with the intention of making these bonds available not only to the average Canadian but to the big money men, except the motive behind it. What is wrong with it is not the actual mathematical exercise itself but rather the motive behind it, that is, the motive or objective with regard to the 1967-68 series of Canada savings bonds of raising money for the federal treasury. The purpose is not to encourage the savings habit, as it once was, but to raise money for the federal treasury. That being the case, I suggest to every member of this house and to every person in this country that we have come to a sad day in the evolution of savings bond philosophy.

• (5:40 p.m.)

The question arises automatically and instinctively, is this a sensible way for the government to raise money? The answer to that question is emphatically, unequivocally and unarguably no. It is not a sensible way for the government to raise money. It is a very expensive way for the government to raise money. Why does the government not go into the capital money markets to raise money, as has always been its traditional and acceptable practice? Let me tell you why. The government cannot get money in the capital money markets because there is no confidence in the government, particularly in respect of its bonds.

What has the government done under the guise of giving small Canadian investors and average Canadian home owners the opportunity to get in on the new series of savings bonds which pay pretty substantial rates of interest? This government has gone to the 20 million or 19,999,000 Canadians of average means and decided through this savings bond issue to bilk them of every dollar they can in order to bail themselves out of trouble. In so doing they have undertaken the most expensive exercise in money raising it would be possible for any government in Canada to undertake at this time. The corollary to the first question I asked—is this a sensible way to raise money—must be, is this the only way the government can raise money? Obviously the answer, sadly, reluctantly and regrettably, is yes. Otherwise the Minister of Finance would not undertake such a tortuously expensive method of raising money.

If the government had the confidence of the capital money markets and the people who deal in those markets and could get its money in the normal way, there would have been no flamboyant savings bond issue such as this series which pays an average yield of 5.48 per cent interest to maturity, with the bonds doubling in value if held for 13 years. If this is the only way the government can raise money to bail itself out of trouble then, as I suggest, the government cannot command the confidence of the regular markets where it would normally go to raise the money it needed.

If what I suggest is so and I believe it to be so, the government should have the moral courage to tell us that this is the situation. Canadians have the stamina to take it and to face an economic crisis, but they like to know what the facts are. We have had enough of what I referred to earlier this afternoon as flim-flam. We want to know what the situation is. We will pull in our belts and fight this crisis as other nations have fought other crises in other times.

This is a hopeless exercise in hypocrisy, and I am referring to the government and the minister involved shirking their responsibility and asking us to stick our heads in the sand. The government is confusing us with overture, appeal and embellishment. What I have in mind is the advertising campaigns which were conducted in respect of the 1967-68 series of Canada savings bonds. We are being led down the garden path. The government is deluding us into thinking that everything is right and good and that in fact we can afford to issue a series of bonds with extremely attractive interest rates and extremely impractical results. If the Minister of Finance asks me why I think this is such an expensive way to raise money for the federal treasury I will consider it a privilege and a pleasure to tell him why.

An hon. Member: He hasn't.

Mr. Sherman: This is the most expensive exercise possible in which the minister could indulge because of the cost connected with the issuing of a series of bonds of this type. I refer particularly to the commissions which are paid on these new bonds. We must also consider the extremely expensive cost of advertising, including full page advertisements in national, local and regional newspapers. These advertisements have even appeared in the weekly newspapers in this country from coast to coast. This is extremely costly. We must also consider the cost of

direct mail campaigns which include the distribution of pamphlets such as the one I hold in my hand. Various other advertising media have also been used to promote this bond issue. Of course this is salesmanship, and no one challenges the necessity for salesmanship. However, salesmanship for an unnecessary exercise is unnecessary.

In this case the exercise, as I suggested, stems and derives from motives and objectives which are wrong and involve an additional expense to this country which we at this time in our current economic and financial crisis can ill afford. There is an additional cost which I have not yet enunciated relating to the new issue of savings bonds. I refer to the new interest on the turnover versus the old interest. The new interest is to average 5.48 per cent if the bonds are held to maturity. As I suggested, the bonds will double in value if they are held for 13 years. The additional interest, the tremendous advertising costs and the commissions and the bank charges levied in the case of each new bond represent a staggering expense in respect of an exercise developed on the basis of incorrect reasoning; a wrong philosophy regarding savings bonds and an attempt to reach the average Canadian on the streets of this country in every town and village in order to pull the government out of the fiscal difficulty in which it now finds itself.

There is also the question of the risk involved in such a bond issue, and I hope the minister has considered the extreme hazard he shoulders in this regard. What would happen if, for example, the people of Canada should become more worried than they are and create a sudden run for cash in exchange for bonds? These bonds are negotiable at any time. What sort of predicament would the government find itself in then and what sort of financial state would Canada be in? Added to the mistaken philosophy, the disastrous concept, the wrong reason for undertaking this exercise to obtain capital in this risky way, and the exorbitant cost, is this additional risk which is an element in itself that increases the cost. I am sure, the result will be extremely disastrous for the people of Canada. For these reasons, Mr. Speaker, I go on record as condemning this exercise undertaken by the Minister of Finance and the government as an unwise and most expensive one for the nation at this time.

• (5:50 p.m.)

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I find myself in the position of having to condense what I have to say into about seven or eight minutes.

An hon. Member: Good.

Mr. Patterson: Someone said, "Good". I thought that would be the response. I will have to leave out the bouquets and perhaps some of the criticisms. I wish to make a few comments, however, with regard to the budget that has been introduced. Various factors, allegedly beyond the control of the government, have been blamed for the situation facing the country at the present time. But I think it is evident that the policies pursued by the government and its disregard of the effects of its borrowing and spending practices have been largely responsible for the problems that face us at this time.

The minister has now introduced a budget which calls for increased taxes and reduced borrowings. I should like to refer first of all to the proposal in regard to tax increases. Under the present system there are only two sources of money with which to pay government expenses, namely, taxes and borrowings. Just a few days ago my colleague the hon. member for Red Deer (Mr. Thompson) spoke about the tax increases and said, as recorded on page 5155 of *Hansard*:

> Taking these costs—
>
> The costs of government.
>
> —and applying them to the net national income of the Canadian people we find that 57 cents out of every dollar that is earned by Canadians is taken back by governments at one level or another. If we include the net cost of government, that cost which is financed through taxes and not through other sources of income, we find that nearly 50 per cent of every dollar that is earned by Canadians is taken back by government in the form of taxes to pay for the cost of government.

This indicates very clearly the extent to which the taxation structure of Canada is draining the resources of our people. We must consider the effect of rising costs occasioned by tax increases on the take-home pay of Canadians. Our workers are beginning to think that about all they have to do now is sign their cheques and send them to the government. The other evening I was listening to Professor Reuben Bellan, professor of political science at the Manitoba university, who pointed out that the tax increases are liable to increase the demands of workers for increased wages and this process will be carried on to the point where it affects the unemployment picture. Therefore we must consider the entire tax structure as it affects the cost of living. It has now reached the

point where it will be a case of diminishing returns if the tax load is increased any more.

However, we find that the government has conflicting policies. We discovered this in respect of the housing situation. The government stressed the importance of housing for our people, gave incentive bonuses for construction and then turned around and imposed the 11 per cent sales tax and cut off the bonuses. This was responsible for the raising of mortgage rates. So we find that in many ways the policies of the government are directly affecting the cost of living, and it now finds it must increase taxes in order to try to solve the problem.

An article that appeared in the *Globe and Mail* of November 16 last had as its heading, "Can Economy Take Tax Rise? Experts Wonder." The article pointed out that the need for higher taxes to bail Ottawa out of its financial troubles is generally accepted. The article then raised the question of whether the economy will stand a further tax hike.

I believe this is something that we and the government should take into consideration. We believe it will not be effective in solving the problems of inflation. In fact, an article which appeared in the *Monetary Times* of November, 1967, stated that a tax increase does nothing directly to contain the sort of inflation in which we find ourselves at the present time but instead it risks intensifying it.

We must consider the effect these measures will have on the employment picture. As has been stated, it seems that the government is embarking upon a plan to reduce employment. This will, of course, affect the welfare of Canadians all across the country. It has been said that the government is restricting its expenditures. We concur in the policy of the government with regard to curtailing the cost of government. This has been a source of great concern to the Canadian people for many years. I believe the time has come when this aspect of the problem must be seriously considered.

However, I believe that in outlining the ways in which this is to be effected the minister struck at some very vital areas which I believe should not have been included in the curtailing of expenditures. The question of superannuated civil servants has been raised. As a member of the committee set up to study this problem I, as well as every other member, was shocked to hear the statement that no increase in pensions will be forthcoming.

It has been said that we must reduce borrowings in order to take the pressure off the private capital market. I call attention to the fact that we have means by which this can be accomplished, but the government has acted very slowly. Even though it has moved slightly in this field, we believe that the Bank of Canada should be used to finance at least part of the government's expenditures in order that pressure may be taken off the private capital market, thereby releasing more money for the development of this country.

I would mention the reduction in the lending programs of the government. Here I point out that the government is dealing with very critical situations, for instance, national housing. I intended to deal at some length with this matter, Mr. Speaker, but time does not permit. I believe it is catastrophic that the government should reduce its contributions to the residential home construction program. There are several other factors in this regard but I do not have time to deal with them as my time has almost expired. I simply say that in the absence of adequate and effective monetary and fiscal policies designed to enable Canadians to provide for their immediate needs, they must mortgage their future to provide for the present.

The other evening I viewed the hon. member for Perth (Mr. Monteith) on television. He said he doubted that the government would ever be upset because members to his extreme left would see to it that they were not in the house when votes were taken or they would lend their support to the government. I call attention to the fact that if all the members of his party had been present the other evening there would have been more than enough members to upset the government and put an end to the policies that are now in operation. Therefore I repudiate the implication that we must take the responsibility in this connection and I suggest to the hon. member for Perth that he should take a look at his own party.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER ON QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Tardif): Order. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Trois-Rivières (Mr. Mongrain),

Weights and Measures—inquiry concerning the adoption of the metric system; the hon. member for Essex West (Mr. Gray), Parliament Hill—inquiry as to maintenance of centennial flame; the hon. member for Queens (Mr. Macquarrie), Privileges and Elections—election act to committee.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, on Friday the Leader of the Opposition (Mr. Stanfield) felt it necessary to attack me and describe me as the official hatchet man of the caucus and of the Liberal machine. This in itself does not particularly concern me, although I might add at the outset of my remarks this language is hardly the type of language that one would have expected from the Leader of the Opposition, who was supposed to introduce a new level of debate into the house. What does concern me, however, is the inference that I would use the cause of national unity as a part of political, partisan tactics.

If the Leader of the Opposition were in the house this evening, and I have adopted the usual courtesy of informing the hon. member that I was about to speak, I could assure him that I share his view about the necessity for caution when we are discussing issues that separate this country today. At the outset of my remarks, I want to assure the house that it is not my intention tonight to retaliate for what I consider to be an unfair and unwarranted reflection on my conduct as a member of the House of Commons. However I would not want the hon. member, if he were here this evening, to interpret the remarks I am about to make as an apology. Since reviewing my speech on Thursday night I am more convinced than ever before that no apology is indicated. I can only conclude, after rereading my remarks, that the hon. gentleman over-reacted to what he presumed I was about to say, rather than to anything which does appear in *Hansard*. Certainly the newspaper accounts of the furore indicate that the members of the press gallery were also puzzled as to what upset the hon. gentleman. The Montreal *Star*, in its issue of last Saturday, stated the following:

> The normally cool and aloof Mr. Stanfield slashed into Mr. Mackasey with fangs suddenly bared. He ended up cutting himself.
>
> Coming out of his parliamentary pensiveness for the first time, the new Conservative leader blew his cool on an imagined slight by Mr. Mackasey. Observers today are still wondering what he was angry about.

I want to assure the house and members of the opposition that had I implied that the Leader of the Opposition endorsed the Estates General, or had I said he endorsed their views or their findings, then I could understand the angry and rather violent reaction. If he drew from my remarks that I intended to accuse him or imply that he endorsed separatism, then I can assure him that this was not my intention. The Leader of the Opposition may be surprised to know that in the five years I have been participating in these debates, sometimes rather vigorously I will admit, I have never found it necessary to make my point by attacking the personality, language, religion, personal life or private life of any member of the House of Commons.

On the contrary, Mr. Speaker, I have tried, with some modest success, to be an instrument for national unity in this house and to bring about a better understanding of the problems of national unity amongst the members of the House of Commons. It is my intention to dwell on that subject in a few moments. Had time permitted me the other evening—and hon. members will recall I was cut off by the vote—I had intended to speak about the Estates General. I had intended to point out that I had supported the original concept of the Estates General, the idea of bringing together leaders from all the leading organizations existing in the French speaking communities in the province of Quebec, and outside of Quebec. I had encouraged friends in my riding to attend the recent meeting. I encouraged them in the naïve belief that these friends, true representatives of my community, were believers in confederation as an instrument which, while not perfect had, as Claude Ryan recently points out in the *Le Devoir*, permitted complete freedom of religion, language and

assembly to all French speaking people in Quebec since 1867.

• (8:10 p.m.)

I have as much right as the Leader of the Opposition to express an opinion in this house as to whether or not the Estates General acted in a serious manner in prejudging the issues. I presume they were assembled to discuss the issues in a democratic manner. To refuse to fly the Canadian flag did not seem to me a few weeks ago, nor does it seem to me now, an indication that serious men discussing a serious subject were doing so in an objective manner. This is essentially what I was about to say the other evening had time permitted. I repeat, I had no intention of implying by using the word "endorse" that the official opposition and its leader were endorsing the separatist conclusions of the Estates General. Certainly there were serious people present at the meeting, serious people not only from Quebec but from other communities outside Quebec, and it is regrettable that these serious people were not permitted to advance their arguments for confederation because of the atmosphere which prevailed at that meeting.

I might point out to the hon. gentleman if he were here tonight that as long ago as in 1964 I said in the house, and I gladly repeat now, that under the democratic system which prevails in our country Canadians have the right to endorse any philosophy they wish. They can support the cause of the Liberals, the Conservatives, the New Democrats, the Créditistes, the Social Crediters, or even separatism or communism. The presence in the House of Commons of the hon. member for Lapointe (Mr. Grégoire) who has decided to adopt the philosophy of separatism is proof of this. I happen to believe that this is the right and privilege of the hon. member under the constitution of this country.

A close look at the remarks of the Leader of the Opposition as they appear at page 5066 of *Hansard,* as compared with mine which appear at page 5191, will indicate, as the Montreal Daily *Star* has already pointed out, that I made no attempt to twist the words of the hon. gentleman for political advantage.

Mr. Nasserden: Mr. Speaker—

Mr. Mackasey: Mr. Speaker, I should like to ask the hon. member for Rosthern (Mr. Nasserden) to grant me the privilege of completing my remarks, because they happen to be particularly important to me in view of the fact that I consider the implication of the Leader of the Opposition as a reflection on my integrity, and I have no intention of engaging in partisan debate with the hon. gentleman at the present time.

There is no particular reason why the Leader of the Opposition should be aware of my presence in the House of Commons, nor is there any particular reason for him to be aware of the sentiments that I have expressed in and out of the house on the cause of national unity. But if he were in his seat this evening I would draw his attention to my remarks as they appear at page 2946 of *Hansard* of October 10, 1967, two months and a day ago. I mention this because my remarks were made about the party which he leads and about their recent Montmorency conference.

Mr. Nasserden: Nonsense.

Mr. Mackasey: The hon. member should not show his prejudice on a subject as important as this, and he should take the advice given by the Leader of the Opposition the other night, that we should not play petty politics with an isssue this serious. Since I agree with what he said, this is precisely what I am trying to do this evening to convince the house this was not my intention when I spoke previously. On that occasion I said the following:

> When at the recent Montmorency conference the Conservatives accepted in principle the theory that two nations exist in Canada, at least in the cultural sense, I welcomed this. I welcomed it because it represented to me the existence of many enlightened people in that party who were willing to stand up and indicate their willingness to endorse the necessary changes in attitude that must come before true unity in this country becomes a reality.

I went further, Mr. Speaker, and I think the following extract from my remarks made on that day have particular significance because again they were made as a tribute to the party opposite. I said this:

> Certainly it took more courage on the part of members representing constituencies in the west or in the maritimes to openly endorse this concept than on my part or the part of other members who represent ridings in the province of Quebec.

I submit that these are hardly the words of a petty partisan politician who would use the cause of national unity for political reasons.

I suggest, at the risk of upsetting the hon. gentleman were he here this evening—and I say this in true humility—that I have no lesson to take from him or anyone else in the

house when it comes to discussing the question of national unity in Canada. The Minister of Finance, as well as the hon. member for Victoria, B.C. (Mr. Groos), made that point quite adequately when they took part in the debate on Friday.

I do not know what the Leader of the Opposition was saying about national unity in 1962, 1963 and 1964, and I do not know what legislation he was passing in Nova Scotia to help the minorities in that province, but I do know what I was saying both in and out of the house. It might be of interest to the hon. gentleman to know that during that period of time I had the opportunity to visit the excellent universities in his province and in the other maritime provinces. Certainly when I went to Nova Scotia I was well received there, and so was my message that tolerance and understanding should exist if Canada is to continue. The intention then, as it is today, was to point out to the country the fair and equitable treatment which I have received in the province of Quebec as one of the English speaking minority who was born in that beautiful province.

Time does not permit me to review all the speeches, or even a few of them, that I have made in the house on this subject, but I am sure the hon. gentleman, if he would take the trouble to look up my maiden speech made in the house in 1962, just a few days after I became a member of the House of Commons, would realize that five years ago I had no hesitation in speaking on this subject or in pointing to my own constituency as a perfect example and blueprint of what Canada in the future should be.

In 1963 I made some observations which may be of interest to the house, since they refer to the B and B commission, and which are set out at page 313 of *Hansard* of May 27, 1963. Before reading what I said, however, I might remind members of the house that four years ago bombs were exploding in the province of Quebec, and that, apart from Senator Lamontagne and myself, there were not too many people in the province of Quebec speaking against separatism or for the cause of federalism in that province. This is what I said at the time:

> Rather than wait for the full implementation of the royal commission report, I think steps can be taken immediately to further the cause of bilingualism, at least in our senior civil service departments. I do not subscribe to the theory that all must be rectified by 1967. Certainly there is no magic date when all these differences of opinion must disappear. But I do think that confederation should at least mark the date of stocktaking, when we can look back with pride to some improvement in the question of bilingualism and biculturalism. I think, Mr. Speaker, that every Canadian is duty bound to acquaint himself a little more with French Canada. Prominent Canadians found to their delight many years ago that a deep knowledge of French Canada, its culture, its language and its traditions is an exciting and fulfilling experience.

Further in that speech, referring to the constitution and to the royal commission, I said the following:

> I remain one of the optimists as far as the future of confederation is concerned.

I should have said "constitution" instead of "confederation". Then I went on to say:

• (8:20 p.m.)

> However, I believe confederation must be reviewed and its contents more clearly defined. It is important for us to remember that the terms of confederation will mean very little if there is not a desire to make them work, motivated by mutual respect and understanding. The desire for equality of opportunity, equality of language, must be earnestly desired by all Canadians and for all Canadians.

And these words, Mr. Speaker, were spoken three or four years ago. I continued:

> It is not by isolation that Quebec will fulfil its destiny. It is not by retiring from confederation that Quebecers will realize the fulfilment of their economic dreams. The eventual and logical development of Quebec to the full richness of which Quebec is capable must come from within confederation.... If, on the other hand, the commission on biculturalism is given an opportunity to function, if its report is analysed with an open mind, if the differences separating French Canada and English Canada are acted upon, then I feel Canada will eventually reach the greatness predicted for it by Sir Wilfrid Laurier.

The hon. gentleman referred to me as the official hatchet man of the caucus and of the Liberal party. That does not bother me particularly. I do not know whether that is a compliment or an insult; it would depend, I suppose, on the definition of hatchet man. I would confess to him if he were here this evening, again hoping not to upset this hon. gentleman, who upsets very easily I am afraid, that the Liberal caucus in recent months has been preoccupied with important matters, with budget considerations and with the cuts which the Minister of National Revenue spoke so eloquently about the other night.

Mr. Nowlan: What about the survey, Bryce?

Mr. Mackasey: It has been preoccupied with the C.B.C., with the international service and with all those other matters that

usually take up the time of the caucuses of both sides of the house.

Frankly, and I wish to say this in as non-partisan way as possible, the impact that the hon. gentleman has made on the house so far has not been so impressive that the caucus has felt that any extraordinary tactics are called for to offset that effectiveness.

Mr. Fulton: How clever that is. The time will come when the hon. member will wish he had not said that.

Mr. Mackasey: I can assure the hon. gentleman that if that time should come, character assassination will not be indulged in by this party. There are hon. members in the opposition who have felt, perhaps, that I deserve a better label than that of a hatchet man. In 1964, after a speech that I made in the house—and frankly I do not recall whether two of my good friends in the opposition who have been making remarks were in the house in 1964—after a speech, incidentally, in which the term "English separatist" was first coined and after a speech in which I defended the right of anyone to be a separatist, provided he did not resort to violence in fighting for his cause, the hon. member for Queens (Mr. Macquarrie) made certain observations, and they appear at page 9479 of *Hansard*. For the benefit of my hon. friend who is taking notes, I will repeat that: They appear at page 9479 of *Hansard*. These are the words of one who is highly respected in this house. That hon. member's opinion, I understand, is highly valued and sought by the Leader of the Opposition. The hon. member for Queens said these words on that occasion—and this is his language: If it is flowery I ask hon. members to remember that we all have our own peculiar style.

> Mr. Chairman, I should like to begin by congratulating the hon. member for Verdun on his wise, reasoned, reasonable, very sound and very eloquent remarks which he has addressed to a profoundly important subject.

The subject, if I may remind the house, was national unity.

> In the manner of his delivery he demonstrated that he is indeed gifted, as are most Irish folk, with great felicity of phrase and it was a pleasure to hear him.

Some hon. Members: Oh, oh.

Mr. Mackasey: My good Irish friend across the way has the same charm. He does not use it as often as I try to use mine; that is our only difference. I continue:

> I remember his leader, the Prime Minister,—

[Mr. Mackasey.]

He was referring to the present Prime Minister.

> —saying some months ago, when the hon. member for Three Rivers spoke eloquently in French on a similar subject,—

That hon. member was Mr. Balcer, as the house may recall.

> —that the voice of moderation and reason must be heard in this house and in this country both in English and in French.

The hon. member for Queens continued:

> I think today, Mr. Chairman, we have heard in English a most sound and valuable discourse on the subject to which we all must give our very best not only of attention but of effort.

Speaking on a serious note, Mr. Speaker, I should like to think that those words that were spoken by the hon. member for Queens over three years ago are still applicable to me today. If I ever thought that it was necessary for me to use the subject of national unity for political partisan purposes—and I hope that hon. members of the opposition will believe that I speak seriously—I should prefer not to be a member of the House of Commons.

I might also draw to the attention of hon. members of the opposition, and to the hon. member who is not here, the words that were spoken on my behalf by an honoured and respected member of the opposition, a former whip who now sits in the Ontario Legislature, the former member for Grey-Bruce, Mr. Winkler, who gave little quarter in debate and asked for none. He said, as reported on page 9497 of *Hansard*:

> I am thinking also this evening of the words expressed by the hon. member for Verdun.... I think the hon. member for Verdun did a very commendable job this evening in presenting a sane, fundamental argument with regard to the problem that is before us. He did not over-emphasize it; he did not underscore it. He did not make it a sensational thing, he just brought the seriousness of it to the attention of the house. I feel that perhaps, in so far as this problem is concerned, this is the approach that we should take. I say again that I am pleased the hon. member for Verdun made that contribution this evening.

Mr. Churchill: That is a funny one.

Mr. Mackasey: These are not words about national unity that were spoken yesterday, last week or three months ago. The remarks which I have quoted were made in the house three years ago.

I do not intend to quote the remarks of more members of the opposition, though it is tempting indeed to quote the present right

hon. member for Prince Albert (Mr. Diefenbaker), who felt no inhibition in congratulating me in this house for my contributions in debate. He is a member of the House of Commons, a House of Commons man, and he has often pointed out how mild is the language that we use in this house as compared with that used in what he refers to as the Mother of Parliaments.

In conclusion, Mr. Speaker, I must point out something that has gone relatively unnoticed in the remarks that the hon. gentleman made on Friday. As I said at the beginning of my remarks, if the hon. gentleman seriously presumed from my remarks of Thursday evening that I was trying to attack him with the smear of separatism, that was not my intention. I say this and give my word as an hon. gentleman.

What puzzles me is his reference to the alleged fact that I made, not one attack on him, but two. The only other time I have mentioned the hon. gentleman has been during a debate on a supply motion, and if I recall that debate, the hon. gentleman seemed to be enjoying the mood of the house. I might ask him to look at the appropriate pages of *Hansard*. One can often tell the mood of the house by the humour of the interjections, including those of the hon. member for Winnipeg South Centre (Mr. Churchill). I did not at that time intend to attack the hon. gentleman, nor did I attack him. If the hon. member feels, after reviewing the references that I made to him during the supply motion debate, which he seemed to enjoy, that my remarks constituted an attack on him, then I suggest it is time that he got acquainted with the level of debate in the House of Commons.

• (8:30 p.m.)

There cannot be two sets of rules in this house, one for the hon. member and another for the rest of us. In conclusion I would say—and it is not too often that I pay tribute to my good friends in the far corner—that if any have been subject to my aggressiveness—call it that for want of a better word—in the House of Commons, it has been the New Democratic party and its spokesman; and I may say that in all the years I have been here I have made them my special target, possibly because my philosophy is much closer to theirs than it is to the philosophy of hon. members directly opposite. But never once have they accused me of resorting to a personal attack as members of what I refer to as a gallant little band of misguided socialists.

Mr. Knowles: You are getting into hot water, now.

Mr. Mackasey: Perhaps the Leader of the Opposition needs to develop a sense of humour, and this no doubt will come out in time. But just in case he was being serious in referring to me as a hatchet man, let me tell him that from my observations during the five years I have been here, with very few exceptions members are not destroyed in the House of Commons: They destroy themselves.

Hon. George Hees (Northumberland): We are being presented at this time with what the Minister of Finance (Mr. Sharp) called an anti-inflationary budget. The hon. gentleman has told us that the economy has become "overheated" and must be "cooled off." You and I, Mr. Speaker, know that, in layman's language, this phrase simply means that the government has decided deliberately to create unemployment by withdrawing purchasing power from the taxpayers of this country, through the imposition of a 5 per cent extra tax on personal incomes.

Eighteen months ago the government introduced another anti-inflationary budget. At that time it imposed a 5 per cent refundable corporation tax. This was a fair anti-inflationary measure; it took 5 per cent of the profits which industry had accumulated during the year and, because the government felt there was a great deal to be feared from the spending of too much money in Canada at that time, it set aside the revenue derived from this tax, put it on ice, and promised to pay it back to the corporations within three years at a time when it considered that inflation did not pose a threat to the economy.

As I say, this was a fair anti-inflationary measure, and we know that the treasury will begin to pay back this tax to the corporations next June.

Today, however, in this so-called anti-inflationary budget, we are seeing the imposition of another 5 per cent tax, but this time it represents an increase in personal income tax levied on the people of this country—and it is no refundable tax; it will not be set aside, kept on ice, and paid back to the people when inflation is no longer a threat. No, this money will be spent by this government just as fast as it is paid in to the government's coffers. This tax is not anti-inflationary. On the contrary I intend to show that it is very much an inflationary tax. And it is a tax

which is being demanded by this government because this administration has overspent drastically during the last four years; it finds itself today in a desperate financial situation, and this burden is being imposed on the Canadian people because hon. gentlemen opposite do not want to be forced to go to the bond market once again in the very near future. This money is being taken from the Canadian people in order to pay for government overspending. The tax we are considering is no more an anti-inflationary measure than I am. It is a measure to helieve the Minister of Finance and his colleagues, because they are under serious financial stress.

This tax is an inflationary tax. You and I know perfectly well, Mr. Speaker, that from this point on as soon as the unions begin to make their demands to the corporations for which they work, the amount of this tax will be included in their claims, in addition to anything else they expect to receive. As a result, this tax increase will be added to the cost of production, like any other cost, and passed on to the consumer, and it will raise prices to that extent. This 5 per cent tax is an inflationary measure, and this budget is not an anti-inflationary budget; it is an inflationary budget.

The government tells us we are being taxed because we have been overspending. Let us examine just what the government itself has been doing in this regard. What has been its record in connection with the spending of the taxpayers' money? In the last budget which the Conservative government presented, the budget of 1962-63, the country, through its government, spent $6,570 million. In the budget presented for the present fiscal year, 1967-68, we shall spend at least $9,646 million. Thus, in the four years during which this government has been in office, government expenditure has been increased by more than $3,000 million, or 47 per cent. And to show that they have not lost any of their skill in overspending, figures for the first seven months of the year, the latest period for which information is available, show that the increase in government expenditure amounts to 15 per cent. This illustrates the extent to which a government which is lecturing us on overspending is itself overspending, and thereby has created a situation, from which it hopes to extricate itself by the tax measures imposed on the people, as set out in the budget of a few days ago.

The government claims, through its Minister of Finance, that it intends to do a great deal in the way of cutting expenditure. We were told it intends to set an example by cutting down expenditures, both in the present budget for 1967-68, which does not expire until March 31 of next year, and in next year's budget as well.

• (8:40 p.m.)

On November 2 of this year, Mr. Speaker, as noted on page 3775 of *Hansard*, I asked the Minister of Finance (Mr. Sharp) the following question:

I have a question for the Minister of Finance. In view of the minister's letter to the provincial treasurers, tabled in this house yesterday, in which he said—

I quoted the words in his own letter.

"We in the federal government have already re-assessed the spending programs and the lending operations of government departments and agencies—"

Note these words, Mr. Speaker.

"—for the balance of the current fiscal year and for next year."

Then I went on to ask:

Will the minister advise the house when he intends to announce the reductions in expenditures for the present fiscal year which are to result from the re-assessment he has made?

The Minister of Finance replied as follows:

As I have said on a number of occasions, it is my intention to do so shortly.

In other words at that time, Mr. Speaker, he said that shortly he would outline not only the expenditures which they intended to cut in the budget of 1968-69 but also in the present budget of 1967-68.

Two weeks later I asked him in this house when he intended to make this announcement, and again he said he would do so shortly. Then, Mr. Speaker, we had him deliver his now famous budget message and I, like all other members, sat in this house and listened to hear him specify the cuts which he intended to make in the present budget, the cuts which he had said in this house he intended to make and that he would outline in the house for members to hear. I listened to that budget and, as we all know, he did not mention one single cut he intended to make.

The next day in the House of Commons I asked the minister whether, in view of the fact that he had assured us he would make this announcement and give us this information, he would give it to us then. His reply was that his colleague, the Minister of National Revenue (Mr. Benson), who is also the President of the Treasury Board, would

be outlining these cuts in detail when he made his speech in the budget debate.

So, Mr. Speaker, we listened with great interest to the speech which the President of the Treasury Board made in this house a few days ago. I listened to it. All members listened to it. Did we hear that minister mention one single reduction which he intended to make in the present year's budget, as had been promised to us by the Minister of Finance? No, Mr. Speaker, we did not. He did not mention the budget of 1967-68.

I have his speech here in my hand, because I could not believe my ears. I thought I must have missed something. I read his speech, page by page, line by line. There was not a single mention of anything in his speech dealing with the budget of 1967-68, the budget in the expenditures of which the Minister of Finance had assured the provincial treasurers, and had assured this house that he intended to make substantial reductions.

Mr. Speaker, this government is developing the same kind of thing from which President Johnson is suffering in the United States. It is beginning to suffer from a credibility gap. We are getting to a point where we cannot believe the word of ministers who stand up and state one thing and obviously do not mean what they say.

I had a similar experience a few days ago with the Minister of Manpower and Immigration (Mr. Marchand). I asked him a question regarding a speech he had made in Toronto to the Liberal association in Spadina riding, in which he was reported as saying that the reason the manpower training program had been held up was because of lack of action on the part of the provincial governments. I asked him, in view of what he had said in that speech, just which provincial governments had held up this program, and in what way? In a very haughty manner he stood up and said he had announced this in detail a few days previously in the house. I did not hear him on that previous occasion, and so I phoned his office. I asked them to send me a copy of the issue of *Hansard,* marking the statement in the speech which he had told me he had made in the house, so that I could check it. His office sent me the issue of *Hansard.* They marked the page very carefully but, Mr. Speaker, there was not one word dealing with what the minister told me he had said in this house—not one word; and this was his own department which sent me *Hansard,* and his officials had done the marking.

We are getting to a point where we are not only getting rotten government from this government but we are getting statements we cannot believe, because they say things that are not true. These two ministers have told me definitely on various occasions that certain things were so, and on checking I have found they were not so.

There is a definite credibility gap developing on the part of this government, and that is a very serious thing indeed. Always up to now—and I have been in this house for 17 years, during which time I have sat opposite governments and I have been a member of governments—I have always been able to believe what ministers of the crown said on the floor of this house to members of parliament. Now we are getting to a point where we cannot believe what members of this government say. It is one thing to get inefficient, rotten government, but it is another thing to have this house misled, and I believe it has been deliberately misled by the two ministers I have spoken about this evening.

The President of the Treasury Board made a great many claims about what he considered to be great savings that he would be making in the 1968-69 budget, the budget which will be brought down next spring. Mr. Speaker, when you have been around here for a while, particularly if you have been a member of government and know the procedure that goes on every year when ministers submit their estimates to Treasury Board, you can understand what a farcical, ludicrous and fantastically amusing statement this public relations document I hold in my hand is, one which was probably produced by the public relations firm hired by the Department of Finance to function at public expense.

Anybody who has been a minister in a government knows perfectly well that every department every year—and this has gone on ever since parliaments began, and I am sure will go on as long as parliaments exist—brings before Treasury Board a list of everything—and I mean everything—that the departmental ministers would like to do for the good of the country, the good of the people of Canada. And these things are good things. A lot of them cost a great deal of money, but in the mind of a department and of the minister in charge of it they are good things and desirable things.

But, Mr. Speaker, they can only be introduced as part of a system of priorities. It is the job of the Treasury Board to decide what those priorities are. Every year any minister

who has ever gone before Treasury Board has had ten, twenty, thirty, forty or fifty millions of dollars worth of possible expenditures lopped from his estimates, simply because the Minister of Finance, and through him the President of the Treasury Board, have decided that the government cannot afford to do these things at that time.

Every minister knows that a cabinet meets well before the budget is prepared. They decide what can be the total expenditure allowed, in view of the financial situation of the country at that time. The Minister of Finance then allots a certain over-all figure to each department, and they cut their coats according to the cloth available. Any good minister of finance cuts his series of coats to the cloth that is available to the government. That has always been done.

I would say, certainly while I have been here, that under Mr. Abbott, Mr. Harris, Mr. Fleming and Mr. Nowlan—those four ministers of finance anyway, and I am sure the ones before them—made the kind of cuts this government is making in the 1968-69 estimates, or cuts very close to them. But the reason these seem so fantastic to this government is obviously that the presidents of the Treasury Board in the past four years have simply not been able to bring themselves to cut expenditures down to what the country could afford to pay at that time. They have not been able to say, "Certainly they are things that are very desirable, but they must wait until we have the money to pay for them." As a matter of fact, Mr. Speaker, these Treasury Board ministers, these finance ministers seem to me to be very much the same sort of people as that very charming character, the girl who played the part of Ado Annie in the famous musical "Oklahoma," and sang the charming song entitled "I'm just a Girl Who Can't Say No." That is what they are; they are Ado Annies; they can't say no. The first time they are forced to say no they become so excited about it that they obtain a public relations firm to write a great speech saying that what they are doing is something new, whereas it is only something which has been done by every conscientious finance minister who ever held office in this country.

• (8:50 p.m.)

Now, Mr. Speaker, let us have a look at the part this government has played in creating the inflation we are being taxed for today. As anyone in business knows, late in 1964 there appeared in this country a very marked shortage of skilled workers. That shortage of skilled workers became more acute because this government did not have the foresight to enlarge sufficiently the facilities we introduced in 1961-62. These facilities are to train additional skilled workers to enable our factories, as we move into the automation period, to have the skilled workers they require to keep the factories producing. This government also did not, by means of immigration, bring in additional skilled workers to fill the gap. For that reason we were short of skilled workers. Therefore our factories could not produce up to the demand for goods which the affluent society required, and prices started to rise abnormally.

Mr. Speaker, you and I know that inflation is caused when too much money chases too few goods. There are two ways to cure inflation. The first is to reduce the amount of money available to chase the too few goods; but the positive way is to increase the supply of goods available for the money to chase. I am sure you, Mr. Speaker, because you are a very knowledgeable gentleman and I, would expect this government to adopt the negative method they have adopted. They reduced the amount of money available to buy the goods. They imposed a tight money policy upon this country. This tight money policy made it impossible for producers to enlarge their plant and purchase more equipment, whether they are on the farm, in a factory, in a store or wherever it might be. They could not buy the additional machinery and expand their plant so that they would be in a position to keep up with the demand for their goods. So, once again, prices began to rise abnormally.

Inflation began to take hold in a very serious way in this country. Because this government would not increase the training facilities sufficiently and would not bring in sufficient people through the immigration stream to fill the need for skilled workers, they imposed a tight money policy and inflation steadily increased in this country.

Then we move along to June of 1966. We find that the government stepped in with regard to three labour disputes, and imposed its will. The three labour disputes of which I speak are the wildcat strike of the dock workers of Montreal, and the threatened strikes on the seaway and in the C.B.C. The government intervened and imposed a 30 per cent wage increase in each case. This accomplished two things: First, these wage increases greatly affected all wage settlements that were made later. It is a well known fact that, at the time, the railway

workers were in the process of negotiation, and were ready to sign an agreement involving a 19 per cent wage increase. However, when they heard of the 30 per cent increase which the government had given the dock workers, they decided that 19 per cent was not enough. Eventually as you and I know, Mr. Speaker, they were awarded a 24 per cent increase.

Second, because of the government's intervention in the case of the dock workers' strike, by dealing with those who were engaged in an illegal work stoppage they made a wildcat strike legal. This government did not impose any penalty on the members of the union for going out on a wildcat strike. In fact they awarded them a 30 per cent wage increase. Therefore in addition to causing wage demands to be greatly accelerated, which has resulted in the fact that this year, for instance, wage increases in this country have averaged 8.7 per cent compared to 4.4 per cent in the United States—and you cannot compete with your greatest competitor if your wage increases are double his—this government, by stepping in and dealing with a wildcat strike and thereby making it legal, has greatly weakened the influence of good labour leaders who conscientiously try to stop their union members going out on a wildcat strike, or asking for wage increases which are not justified by increased productivity. Once again by these actions this government has increased inflation.

One of the costs of production is the cost of money. If the people of the country have confidence in the government, then the government is able to borrow money at reasonable rates of interest; if not, the rate goes up. The people of this country have lost confidence in the ability of this government to handle its financial affairs. They also know that probably every few months the government will find it necessary to go to the bond market again to ask for more money. So, because of the lack of confidence they have in the government, and because of the fact that the people of Canada know the government will come more and more frequently to the market for money, they have held off time and again, in the knowledge that if they hold off they will receive a higher rate of interest on the money they lend. This is what has caused the cost of money to rise to such a high degree that in this country we have at the moment the highest rate of interest in history, and bonds are at their lowest prices in 40 years. Since interest rates, and hence costs, steadily rise, inflation continues to rise also.

So we see that this government, which is taxing the people of Canada for inflation, is largely to blame for that inflation and, for the following reasons: First, they neglected to expand the manpower training facilities sufficiently to provide enough skilled workers so that our producers would be able to expand their production to meet the demand. Second, they imposed a tight money policy on the country, which has made it impossible for producers to expand their plant and equipment sufficiently to meet the increased demand for their products. Third, by intervening in labour disputes, and imposing 30 per cent wage settlements, they set an example which caused wages in Canada to increase at a rate of 8.7 per cent during the past year, compared to 4.4 per cent in the United States. Fourth, by rewarding a union which was out on a wildcat strike with a 30 per cent wage increase, they have undermined the influence of conscientious union leaders who attempt to restrain their members from going out on a wildcat strike, or demanding increases in wages which are not justified by increased productivity. The fifth reason that the government is to blame for this inflation is that by increasing government expenditures nearly 50 per cent during the past four years, and creating excessive demands on the bond market, they have caused the cost of borrowing to reach the highest level in history.

• (9:00 p.m.)

You and I know, Mr. Speaker, that prosperity depends on the ability of a country to sell its goods in competition at home and on the export market. If costs rise abnormally, then selling prices will also rise abnormally. I have outlined in detail what this government has done to make costs rise and therefore to make selling prices rise.

As we know, the Kennedy round of tariff negotiations will come into effect on January 1 next. For that reason, competition here in Canada will become very much more difficult in the months ahead. Competition will also become more difficult because of the devaluation of the pound in Great Britain. Because of that devaluation, Canadian goods will be 15 per cent more expensive on the British market and British goods will be 15 per cent less expensive in Canada. These will be very important factors in our trading patterns in months ahead.

Unemployment in this country in the past 12 months has already increased by 20 per cent, and by some 14 per cent during the last four weeks for which figures are available. Freight carloadings, which represent a very accurate measure of the prosperity of a country, are down 6 per cent during the past 12 months. If we do not increase productivity very materially and very soon, and if we do not keep taxes from rising, and if this government does not control its spending, we will face exactly the same situation which caused the economic crisis in Great Britain a few weeks ago.

This government at this time appears to be singularly incapable of meeting the demands made upon it to do two things, to give leadership, and to solve problems which are becoming—

The Acting Speaker (Mr. Tardif): Order, please. I regret to inform the hon. member that his allotted time has now expired.

Mr. Hees: I expect that within a minute or two I can conclude my remarks.

An hon. Member: Let's give him two minutes.

The Acting Speaker (Mr. Tardif): Does the house give its unanimous consent to the hon. member's request?

Some hon. Members: Agreed.

Mr. Hees: I thank you very much, Mr. Speaker, and hon. members of the house, for the courtesy of allowing me an additional two minutes to conclude my remarks.

Let us have a look at the future. What do we see? We see another increase in taxes in the spring to pay for medicare. Based upon the record of this government we will have an additional increase in taxes to cover the cost of this government indulging in increased spending. If taxes are increased they will be passed on to the people in the way of increased prices of goods. This is inevitable because labour demands higher wages to offset tax increases. We all know that commodity or corporation taxes are immediately passed on to the people in the form of higher prices. In the future we can see nothing but a very difficult situation developing.

Now is the time when all Canadians are looking to the government to give leadership in order to maintain economic health, productivity and employment. We do not seem to be obtaining this. All I can say in conclusion is that this government has become a tremendous disappointment to this country. All one can say for this government is that it has at least become a great social asset. Just before the Christmas holiday, we all gather together at this time in celebration of this festive season.

At the various gatherings which take place during this time one has only to mention this government to get people laughing. Those who do not laugh burst out crying. In any event one can get action in this way.

Let me suggest to the government that it should use the opportunity to provide leadership to meet the needs of these difficult times. If the government cannot do this it should get out of the way to allow some others to take over who can provide this leadership.

Mr. Jacques-R. Tremblay (Richelieu-Verchères): Mr. Speaker, I thank you very much for this opportunity to express my views on this matter. I am very grateful to those who are responsible for allowing me to sit in this house, and make my modest attempt to enumerate some points. I shall first set out my views regarding the wisdom of our fine Minister of Finance (Mr. Sharp). Following that I shall make some observations about the speeches of hon. members opposite; and finally I shall offer a few comments about the crucial matter of constitutional affairs.

[*Translation*]

Mr. Speaker, I should like to call the attention of the house to the negative criticism aimed at the constructive and honest labour of the Minister of Finance (Mr. Sharp).

It is not necessary to be a veteran in politics to realize that the remarks of my colleagues opposite are filled with superficial arguments, and I suggest that such remarks which sometimes unduly waste the time of the house constitute a perfect sample of political electioneering.

The Leader of the Opposition (Mr. Stanfield) even tried to project his image to the Canadian people with statements that have likely missed their mark. Last Thursday, he tried to impress his own gallery, that is 46 hon. members, or half his manpower and, between us, Mr. Speaker, it was not very gallant.

The hon. member for Colchester-Hants will not bear a grudge if I remind him of the calm, affable but firmly determined

tone of voice in which the Minister of Finance stated his case.

Those wise positions taken by the great accountant of the government have naturally carried back my hon. colleague to a quite recent past, when he was responsible for the budget of a province which, by the way, I find more attractive, especially since the arrival of my hon. friend in this house.

He may have relived some tense moments he had already experienced, and this is the reason for the weakness of his arguments and his ability to elude questions, in order to cheer up his partisans a little.

His financial critic had to resort to traditional expressions, to hackneyed phrases of political gatherings in order to give an appearance of justification to a non-confidence motion that he would not have submitted to the house had he entertained the least doubt about being able to defeat the government.

Mr. Speaker, the Canadian people no longer fall for that type of game. They are concerned with adopting a mature attitude and assuming their responsibilities, in stride with their government, to reach a common objective: a balanced national budget in the context of a progressive and deflationary economy.

My colleague for York South (Mr. Lewis), whose office is one of the best equipped in Toronto, took it upon himself, in a speech made last Wednesday, to request the cancellation of our defence programs. I quote his words, as they appear on page 5126 of *Hansard* for December 6, 1967:

• (9:10 p.m.)

[*English*]

I suggest, as my leader suggested on November 20 in this house—

This is the hon. member for York South (Mr. Lewis) who is speaking, of course.

—that we should postpone the construction of the two support ships and drop the purchase of the CF-5 aircraft. If all these things were cut out we would avoid unnecessary expenditures in the large amount of $500 to $600 million. I do not wish to go into the details of this now, because there will be other opportunities to do that.

and so on.

[*Translation*]

Once again, the serious nature of such a suggestion may be rightly questioned, as my hon. friend is well aware of what those cuts may entail; indeed, he knows it very well, if only through his affinities with labour unions. He knows the tragic consequences for thousands of Canadian families that may ensue from the postponement of those defence production programs. Only in my riding, the result would be disastrous for at least 3,000 workers, not including the subsequent slow-down of our regional economy. As it happens, the same effects would be felt in the constituency of Lévis.

Now, let us multiply those consequences by the actual number of naval yards in our country, and we will realize the shocking number of workers who would be made jobless through such an irresponsible action. I suggest that this attitude of the hon. member for York South concerning the welfare of the workers of our shipyards and aircraft plants denotes a lack of concern for the working classes.

Mr. Speaker, I do not want to draw a psychological parallel between the hon. member for York South and the leader of the sovereignty movement in Quebec, who also referred to national defence but in other words, of course, and with a lot of television publicity. In fact, a complete crew of C.B.C. technicians and reporters all last week followed in Seven Islands, in the riding of Saguenay, this idol with clay feet who described as a "damn foolishness" the maintenance of military personnel who, as he said, "drag around Europe".

Moreover, Mr. Speaker, his favourite expression, when referring to the members of the armed forces, is: "Social welfare in uniform".

Mr. Speaker, I take advantage of this intervention to rise before the Canadian people in order to protest against such a flagrant lack of respect toward those who have served and who now serve in the Canadian armed forces. I protest indignantly against this attitude on behalf of the families of those who gave their lives to defend our civilization and on behalf of the thousands of workers who make a living by working in aircraft plants, in defence production plants and in shipyards all over the country.

Let us be serious and let us learn to be opportunists without endangering the livelihood of our citizens and without insulting the Canadian people. Drastic measures which are applied equitably, such as the ones advocated by the hon. Minister of Finance, are acceptable in view of what is at stake.

In my humble opinion, after having read everything I could on the subject, I notice that only demagogues and politicians who

subsist on "electoralism" manage to throw discredit on the fiscal policy presented in the house.

It goes without saying that Canadians as a whole are fully aware of an inflationary trend which is caused, as everyone knows, by an excessive increase in expenditures compared with the increase in productivity and revenues. This inevitable cycle is the price we have to pay for a prosperity which is sometimes self-suggestive and which prompts us too often—if I may jest about that—to put a grand piano and velvet drapes in a log cabin. The American giant which casts its shadow over us can probably afford luxuries which we have to do without.

Mr. Speaker, which one of us can accuse the other of being directly responsible for this rather alarming situation, in view of our high standard of living. I humbly submit that the present circumstances must incite us to choose rather than endure those disciplinary measures, and here is what the Minister of National Revenue and President of the Treasury Board said.

> My remarks are in a vein similar to that of a large company which must from time to time review its administrative policies and its fiscal activities. This review of priorities and the adjustment of expenditures are made from a budgetary angle which invites us to live within our revenue. Radical decisions are called for to ensure continued progress. We must seize the opportunities which we have in the future and invest more in these, while cutting things which appear less important.

Mr. Speaker, we should greet the words of the minister in a spirit of elementary philosophy and practical sense.

A short review of the achievements of the government reveals a remarkable improvement in the Canadian living standard: the national pension plan, the old age assistance program, additional pension for old age security, student allowances, increased aid to the universities, manpower mobility, manpower retraining, subsidies to stimulate industry, water pollution control and countless other measures to improve the standard of living of Canadian citizens and to give them the second highest standard of living in the world.

Practical measures of national import such as the Canadian flag, the Centennial, Expo '67, Man and his World that has revealed to the whole world the capacity of our people, of a strong and dynamic nation.

Mr. Speaker, in such a brief analysis in the context of a fiscal adjustment, there is, naturally, a place for emotional considerations,

but reason argues for objectivity, practical sense and moderation and that is what I am striving for when I think of the recommendations of the report on bilingualism and biculturalism in Canada.

• (9:20 p.m.)

Recently, the hon. Minister of Manpower and Immigration (Mr. Marchand) stated that:

> The independence of peoples prevails over the independence of states.

This is a resounding statement which describes perfectly the present reality. If a man like the Minister of Manpower and Immigration—"a prolific honourable man", as he was described by the hon. member for Kootenay West (Mr. Herridge)—if this French Canadian, who has devoted twenty years of his life to promote the welfare of Quebec workers, is able to be optimistic with respect to the application of these recommendations of the royal commission on bilingualism and biculturalism—frankly, they are worth much more than those of the separatists and the "sovereignists"—I do not hesitate in saying that, as a Canadian citizen, I want to flourish and prosper with my family and my fellow Canadians in a bicultural and, above all, an economically sound Canada.

The premier of Quebec himself, when he was leader of the opposition, congratulated the federal government about its decision to set up the Laurendeau-Dunton commission. Today, he is in authority and he states that this report might bring about agreements with Ottawa. The same day the Secretary of State for External Affairs (Mr. Martin) said that this report would be discussed at the federal-provincial conference in January 1968. What more concrete plan could we ask for to work toward the unification of Canada?

Mr. Speaker, the constitutional climate is improving, needless to say. We are seeing at last the first rays of hope which are the antithesis to the pessimistic utterances of those who want to give Quebec to the United States at any cost, because it is well known that the gist of their separation or sovereignty thesis is to advocate the isolation of a province while serving an ultimatum on the rest of the country.

I do not think, Mr. Speaker, that Canadians look to that formula to achieve the unity of the nation. Fortunately for this house, the Laurendeau-Dunton report was tabled only after the election of the new leader of the loyal opposition. Now, we know, alas, how

the hon. member for Prince Albert (Mr. Diefenbaker) feels about the subject. On the contrary, and this is all to his credit, the hon. member for Colchester-Hants, his successor expressed very positive opinions, as did also the hon. members for Burnaby-Coquitlam and Villeneuve (Messrs. Douglas and Caouette). With regard to the hon. representative for Fraser Valley (Mr. Patterson), he expressed his assent, while making a few reservations, when the report was tabled. Those almost unanimous feelings, justify the hope that serenity will reign at the meetings on the orientation to be given the destiny of our country.

My most sincere wish is that the Laurendeau-Dunton report will make English speaking Canadians aware of the Quebec fact, how it wants to become resolutely integrated with its language, its culture and its economy, to the rest of Canada, and take an active part in our national decision-making bodies.

Yes, I am an optimist. As a Canadian from Quebec, I am used to concessions, on the cultural level; I am willing to make that ultimate attempt. I will do my utmost with my limited means to help the cause of Canada, but I am convinced that the great task now rests on the good will and the courage of my English speaking fellow citizens.

Are bilingualism and biculturalism Canada's last chance? I should hope not, Mr. Speaker, because if that constitutional question is not reasonably and equitably settled, our Quebec will be taken over by you know who and, eventually, the giant who holds that $10 billion mortgage in our country will only have to cross the border to recover his property, or else.

Mr. Speaker, those perspectives will never materialize, I hope, and I should like to conclude my remarks by stating my confidence in our parliament, our government, our Canadian people and the courageous people in my riding who conscientiously toil in progressive industries within a favourable and beneficial economic framework from which they do not want to be divorced. Therefore, I am repaying them today this loyalty with which they have chosen to honour me.

[*English*]

Mr. Donald MacInnis (Cape Breton South): It is regrettable, Mr. Speaker, that the remarks that I have to make this evening cannot be made for the ears for which I intended them. The Prime Minister (Mr. Pearson) has shown a deep concern about the economic plight of Cape Breton, as has the Minister of National Health and Welfare (Mr. MacEachen). The minister of mines, too, has shown some concern, and I should like to put my remarks before all those ministers, as well as all government members. I should like to put my remarks before the Minister of Finance (Mr. Sharp), who is also absent; the Minister of Forestry and Rural Development (Mr. Sauvé), who is absent as well. My remarks this evening are directed to these absent ministers. In fact, I regret very much the fact that government benches are so empty there are only three ministers present out of the 26.

An hon. Member: How many are over there?

Mr. Turner: I rise on a point of order, Mr. Speaker. I believe most ministers mentioned by the hon. member for Cape Breton South have been in this chamber on several occasions during the afternoon and evening. If the hon. member is going on a counting spree, he should count the three members on the front benches of the opposition.

Mr. MacInnis (Cape Breton South): I thank the minister for drawing this to my attention. I should like him to understand this point: It is the cabinet that is responsible for the administration of this country.

An hon. Member: Why don't you let them do it in peace?

Mr. Knowles: You mean they are dead?

Mr. MacInnis (Cape Breton South): It is to the members of the cabinet who are absent this evening that I wish to direct an appeal on behalf of the economy of Cape Breton. It has been pointed out to me that I made a mistake and there are four ministers present. I must apologize.

I should like to make some reference to the Minister of Finance who, when he was presenting his budget, adopted as his own the words of a former minister of finance who was a minister away back in 1868. He adopted these words, as recorded on page 856 of *Hansard* for June 1:

> Now, sir, I would not wish it to be supposed that, in calling attention to these indications of the future prosperity of the country, I am desirous that we should rush into undue expenditure. On the contrary, I say that we ought to be most careful in our outlay, and consider well every shilling we expend.

He goes on to say:

I trust that whatever government may be in power, the people will demand at its hands a thrifty and economical administration of public affairs. I claim that we who now occupy these benches have shown a desire to follow that course.

We will give him "E" for effort and desire, but the results are lacking. The government, and especially the Minister of Finance, have so botched the financial affairs of this country that only last week the minister had the audacity to say in the house that the economists in this country are a confused lot. These are the words of the Minister of Finance—that he considers all economists in this country are confused. What has this government done? Waste, waste, waste.

Mr. Stafford: Will you cite the page number, please?

Mr. MacInnis (Cape Breton South): There is no reason why I should do the hon. member's research for him, especially if he does not have the interest to follow the statements of his own Minister of Finance. Why should I draw his attention to what has been said?

• (9:30 p.m.)

An hon. Member: Give us the page. The hon. member probably cannot find it.

Mr. MacInnis (Cape Breton South): It is page 5038. Let us see whether hon. members can find it, and let us hope that in the future they will pay attention to what the Minister of Finance says. He said that economists in this country are a confused lot. What has the government been doing? In the past two weeks it has deliberately wasted seven or eight days of the valuable time of the house, and yet they have told us that to waste time is to waste money. They have wasted time debating an issue which had already been settled and over which those who opposed the government point of view had absolutely no control. The government was in complete control of the situation, and for seven or eight days they wasted time and money debating a matter which had already been settled by the house.

It is difficult for me to appeal to the government, most members of which are not present and are not paying any attention to matters which should be given priority. They have not given priority to those matters which deserve it, and yet the Minister of Finance has the audacity to say that economists in this country are a confused lot and that this country is in good hands while he fumbles and bumbles around. This is the second Minister of Finance in this government who is fumbling and bumbling around. They got rid of the last one. He brought in a budget, and what did he do with time and money? We wasted day after day and week after week, but finally we got rid of the budget he brought in and eventually got rid of the minister himself. I have heard appeals from this side of the house asking the government to put their shoulders to the wheel and to smarten up. The first thing they should do for this country is to get rid of the present Minister of Finance whose egotism leads him to state that no one knows anything about finances but himself.

When I started to speak, Mr. Speaker, I said I wanted to make a special appeal to the Minister of Finance, the Minister of Trade and Commerce and the Minister of Forestry and Rural Development. I chose these three ministers because I have it from good authority that in the government the Prime Minister, and certainly the Minister of National Health and Welfare, are both very concerned about the economic plight suffered by Cape Bretoners.

An hon. Member: Nonsense.

Mr. MacInnis (Cape Breton South): The remark that was just made from across the floor is an indication of what hon. members on the other side of the house think about the people in Nova Scotia, and the plight they face. I think the hon. member should rise and apologize, not to me because I can take it, but certainly to the people of Cape Breton. First and foremost he should apologize to the Prime Minister and to the Minister of National Health and Welfare, who have shown the same concern for people in that province as I and other members on this side of the house have shown.

Why did I choose to direct my remarks to the Minister of Finance, the Minister of Trade and Commerce and the Minister of Forestry and Rural Development, as well as to those ministers who are not here this evening? I also regret the absence of the Minister of Industry (Mr. Drury) because I should like to get to the bottom of certain statements which he made in the house not long ago in answer to a question with regard to the Sydney steel problem. He said at that time—and hon. members can look it up for themselves this time—that it would be ridiculous and silly for the government to plan a phasing out of the Sydney steel operation. At the same time the Minister of Forestry and Rural Development, when

he was out in Banff, spoke of government plans to phase out the Sydney steel operation. I ask the ministers who are present here tonight to convince their cabinet colleagues of the necessity for an absolute assurance that in the negotiations with the provincial government they will pay close attention to the plight of the Sydney steel industry. I also ask them to distinguish between Dominion Coal and Dosco, because at the time of the establishment of the Cape Breton Development Corporation the Prime Minister advised the house and the people of Nova Scotia, inadvertently I admit, that the Cape Breton Development Corporation would take upon itself the problem of dealing with the Sydney steel problem. When the matter was finally sorted out a denial of the previous statement was made. However, at that particular time the impression was left that the Cape Breton Development Corporation would look after this particular problem.

I should also like to ask the government to deal with Dominion Coal and the Sydney steel plant as two separate problems, regardless of the fact that Sydney is located within a 20 mile radius of Dosco. It was decided last spring that these two matters would be treated separately and would be looked upon as altogether separate questions. I trust the government will keep them separated and will deal with the Sydney steel problem as a separate problem entirely. I am sure this would be the approach, were Sydney located a couple of hundred miles away from the coal area. In any case these are two separate problems and I ask the government to consider them as such.

Not too long ago the people of Cape Breton demonstrated their concern in a manner which cannot be considered as simply one of crowd gathering, when in that area over 20,000 people organized what was called "the march of concern". The people who organized this march deserve to be congratulated. The behaviour of the crowd was excellent. Courtesy was shown throughout to the guest speakers, including the cabinet minister from Cape Breton.

I ask the government to show consideration for the people who are faced with this problem. I would further ask it to review the remarks made at that time by the federal representative, the Minister of National Health and Welfare, who said: "We are searching desperately for a way to assist". On other occasions the minister remarked that this assistance may be extended through the Cape Breton Development Corporation.

Although I do not wish to anticipate the results of the negotiations between the government of Nova Scotia and the federal government, I trust they will be successful. I understand that before Premier Smith returns to the province he will discuss this matter with the Prime Minister, and it is to be hoped that the federal government will wish to grant assistance and, if necessary, place Sydney steel under the protection of the Cape Breton Development Corporation, thus enabling them to continue this industry.

Why should the industry be continued? There are many reasons, and I do not propose to take the time of the house tonight to elaborate on them. However, I should like the members of the government to compare the appeals and the statements made by the Minister of National Health and Welfare on behalf of the federal government, when he said that the government is searching desperately for a way to help and that assistance would be forthcoming through the Cape Breton Development Corporation, with the remarks made by the leader of the Liberal party in Nova Scotia during the recent legislative meeting there. The leader of the Liberal party in Nova Scotia had many criticisms, to offer at that time, and he left the impression, which I hope will be ignored by the federal government, that the Nova Scotia government has been taken in by Dosco. He listed a number of savings which Dosco has made as a result of the takeover of the company by the Nova Scotia government. He tried to impress upon the people of Nova Scotia that the action of the government of that province has resulted in savings for Dosco. He has completely missed the point. I trust that no one in the federal cabinet will consider that Mr. Regan, the leader of the Liberal party in Nova Scotia, knows anything about this problem. He has failed to recognize the fact that this was an emergency situation and that there would be many steel workers walking the streets of Cape Breton during the closing down of the Dosco steel operation.

• (9:40 p.m.)

As I said, in listing the savings with respect to Dosco and in listing other figures, he failed miserably to mention that the takeover by the government of Nova Scotia has saved the federal government considerable sums of money with respect to unemployment insurance. He overlooked that. Instead he chose to talk about patronage.

Here is a matter that is vital to the economy of Nova Scotia, Cape Breton and Canada. It has been said before that if something is good for Canada, it is good for Nova Scotia; and if it is good for Nova Scotia, it is bound to be good for Canada. Yet the minister talked of patronage. He failed to note that this same government of Nova Scotia has recommended, for high office with the Cape Breton Development Corporation, a former president of the Nova Scotia Liberal Association. That is an obvious indication that the government of Nova Scotia is concerned only with the development and carrying on of that corporation. The minister failed to mention the fact that the former president of the Liberal association in Nova Scotia, Mr. Regan, had been recommended to the board of the Cape Breton Development Corporation.

I could list many reasons why this government should go all out in completely renovating the Sydney steel operation, in order to make it a viable industry. In that renovation the federal government in co-operation with the government of Nova Scotia, should make money available to that industry. It is not fair to expect the provincial government alone to carry this load. The fact that the government of Nova Scotia has moved so quickly in this matter and has avoided the complete shut down of the plant is an indication of its concern for the welfare of the people of this industry and of Cape Breton.

Some false impressions have been left about the aid which has been given to Cape Breton. Granted, without the subventions paid on coal over the last 38 years, our coal could not have reached its markets. Without federal aid the coal industry no doubt would have been dead long ago. Certain important steps have been taken by the Cape Breton Development Corporation, and it is hoped that there will be a future for our coal. This depends of course, on whether the necessary financial assistance is available.

I regret that a false impression has been created with respect to aid to Cape Breton. I think, judging from the representations that I have heard in this house, that members of the N.D.P. support the complete take-over by this government of the Sydney steel operation.

An hon. Member: Hear, hear.

Mr. MacInnis (Cape Breton South): Yet, for some strange reason, some members of this house are trying to leave the impression that Cape Breton depends entirely on government handouts. To illustrate what I mean, let me draw the attention of the house to a question that the hon. member for Waterloo South (Mr. Saltsman) not long ago placed on the order paper. He wanted to know what forms of subsidy or subvention were paid in Cape Breton; he also wanted to know something about the Cape Breton national park, the roads to resources, including the Cabot trail, unemployment insurance for fishermen, fishing industry subsidies generally, construction or reconstruction of docks, harbours, breakwaters and dredges, assistance to industries in designated areas and, as well, he wanted to know something generally about coal and steel. I do not propose to go over the entire list. An answer was supplied to him, in which coal subventions were listed at $121 million. I have already said that over the last 38 years the assistance we received with respect to coal amounted to about $200 million. The answer to the question said, nevertheless, that total coal subventions were $121 million. A further $1,300,000 was paid in assistance toward the use of coal in the steel industry. That brings the total amount of assistance with respect to coal, according to the answer, to about $122 million.

Payments to the province with respect to development legislation, roads to resources and so on and so forth, added up to about $150 million. That was the figure that was spent in Cape Breton.

The impression that some might gain from such answers is totally false. Cape Breton does not depend on government assistance to any greater extent than any other parts of Canada depend on government assistance. Cape Bretoners are getting only what they are rightfully entitled to. But they only get it after making strong representations to the government with respect to those matters that were mentioned in the hon. members question.

Those in other areas of the country are able to get government help without making the strong representations that the representatives for Cape Breton have to make in the house. I could mention the art centre that is being built in Ottawa. While it was a hole in the ground, the building estimate rose from $19 million to between $38 million and $39 million. The people of Cape Breton ask for what any Canadian citizen is entitled to ask. On the other hand the art centre will not provide work. It is an amusement centre, and before it is finished I dare say that the government will have spent $50 million on it.

What about the $10 million that this government so generously allotted to establishing a film industry in this country. Look around you at the spending that has been going on. I appeal to you, gentlemen, to listen to me. I speak for a worthy cause. Make available to us the funds to renovate completely the Sydney steel operation, and let it stay in business.

My arguments get stronger as I go on, Mr. Speaker. I shall now refer to the building of the St. Lawrence seaway. That seaway was put into operation at the insistence of the government. It was put into operation over the protests of some in the maritimes, because the maritimes have port facilities.

Examine what the seaway has accomplished, Mr. Speaker. Something like $550 million was spent on seaway construction. Why was that money spent? After examining the remarks of members in this house, remarks which were made when the seaway was being promoted, I conclude that the seaway was not developed, primarily, for navigation purposes. I want it to be clearly understood that I do not wish to detract from any assistance that may be given to industries in other parts of the country. I conclude, Mr. Speaker, that the seaway was built, that the $550 million was spent, in order to subsidize that part of the country which is between Montreal and the lakehead.

A snow job was done with regard to many people at that time. The western farmer, because of the seaway, was to get 6 cents more per bushel for his wheat. I wonder what those members who are interested in western farm problems have to say about that? Can they say whether western farmers received that extra 6 cents per bushel as a result of the seaway having been built? The answer is obvious, I think. Every day we hear about the problems of the western farmer. Western farmers have difficulty in shipping their wheat, yet not once, so far as I am aware, has the question of ships been raised. Nor have I heard that in any way ships have been the cause of any delays. I never heard anything about the St. Lawrence seaway improving the situation. All I heard about was the same problem they had faced prior to this $550 million subsidy—lack of the box cars required to get grain as far as the seaway. So here we see a $550 million subsidy to assist this region.

• (9:50 p.m.)

As I have said before, navigation was not the prime reason for building the seaway. I think the prime reason was to provide hydro power for Ontario, with possibly some power kickback to the province of Quebec, though Quebec apparently had plans for its own development. The idea that navigation was the reason for spending $550 million, the idea that this would assist western farmers, is down the drain. As a matter of fact the subsidy has returned nothing in this area; it has been a white elephant; the tolls realized on the seaway today do not even pay the interest on the money required to build it, and this situation will get worse because the Americans are developing ports along their east coast which will increasingly attract shipping away from the St. Lawrence.

When people talk about handouts to Cape Breton, let them look at the handout in connection with the seaway. As a matter of fact I do not regard it as a handout because I realize that although there were many objections raised to the project, in the considered opinion of the house, it was felt to be good for Canada—and being good for Canada it was also good for Nova Scotia. Today there is an opportunity to do something for Nova Scotia which will prove to be good in the long run for Canada.

Some hon. Members: Hear, hear.

Mr. MacInnis (Cape Breton South): I trust that when the Prime Minister (Mr. Pearson) is negotiating with Premier Smith he will adopt a generous attitude and provide the necessary funds to revitalize the Sydney steel industry.

It is very interesting to study the background of the building of the St. Lawrence seaway. I believe it was Senator Lodge of Massachusetts who said that the United States steel interests would all move out to the Atlantic coast. However, representations were made by the steel operators of Duluth, Indiana and Michigan to the effect that the United States government should participate in building the seaway in order that they might get cheaper ore from Canada and continue to produce steel in those areas. This is despite the fact that some United States senators were advocating moving the steel industry to the Atlantic coast.

It is also very interesting to bear in mind the argument put forward in favour of the building of the seaway by the late Right Hon. C. D. Howe, who had this to say in the United States: "We had to provide a St. Lawrence seaway, otherwise the steel industry

would move to the Atlantic coast." I emphasize this as a reason why the government is more or less obliged to come to the aid of the Sydney steel operation. So, what we have now is a $550 million subsidy provided for the area between Montreal and the lakehead, and one of the reasons put forward to justify it was to allow the operation of the steel industry in this country to remain in its traditional centres and keep it away from the Atlantic area. This is another good reason—and it was put forward by a former Liberal—why the government should be quick to come to the aid of the Sydney steel industry.

If Liberal members wish to do a little research they will find that one of the arguments put forward in favour of the subsidy was that the seaway would allow us to diversify the ship building industry, as carried on in Halifax, and move it to the lakehead.

One of the arguments put forward by the minister of transport at that time was that the seaway would permit the diversification of the shipbuilding industry. So the seaway was built for three or four different reasons. Again I emphasize that one of them was to prevent the steel operation going to the east coast. Another reason was to allow shipbuilding, which had been carried on almost exclusively on the east coast, to be carried on at the lakehead if and when shipbuilders decided to do so.

This is what has happened. The seaway has made it possible for the steel industry to continue to expand, to the detriment of the industry which had long been established at Sydney. At the same time, the seaway made it possible to diversify an industry which has its natural centre on the east coast, and move it to the lakehead.

I repeat, I am putting forward reasons why it is absolutely necessary that the federal government should respond generously at this time to the needs of Cape Breton. I am glad to see that the Minister of National Health and Welfare (Mr. MacEachen) is back in his place, because this is a subject which is of great concern to him and I am sure he will place all the arguments on behalf of the Sydney steel industry before his colleagues in the cabinet. It is my hope he will be able to convince the Minister of Finance (Mr. Sharp), the Minister of Trade and Commerce (Mr. Winters), who should be backing him up 100 per cent, and the Minister of Forestry and Rural Development (Mr. Sauvé).

The subsidy which I have mentioned has acted to the detriment of the east coast. Let us turn now to other subsidies which have been granted in a number of directions. I repeat that although coal has received assistance to the tune of $200 million over a period of 38 years, aid has been given to the uranium industry, which is an infant compared to the coal industry. Assistance was given to the uranium industry when it landed in trouble, to the tune of $150 million, over a much shorter period of time. I would call attention also to the assistance given to the gold mining industry under the emergency gold mining legislation. Since 1948 we have assisted the gold mining industry to the extent of some $231 million, not counting a possible further $15 million before the end of the present fiscal year. This represents assistance to the extent of $246 million.

Again, I have no objection to the assistance given to the industries I have mentioned, especially since it has been given because of the economic plight in which the people living in the mining areas would face if the work upon which they depend were lost to them. A similar situation faces the people in Sydney today.

May I call it ten o'clock?

Mr. Deputy Speaker: Perhaps I should advise the hon. member at this point that his time has expired.

Mr. Knowles: Then may I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Starr: May I ask the leader of the house whether, since the budget debate will end tomorrow, he can give us some idea what we shall be considering on Thursday and Friday—and, possibly, what he thinks should be considered before we rise for the Christmas recess?

Mr. MacEachen: After the budget debate I hope to call the budget resolutions and then the committee stage of the broadcasting bill and the divorce bill.

Mr. Starr: In that order?

Mr. MacEachen: Yes, that is the plan at the moment. If there is any change I shall be glad to advise the house.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

PRIVILEGES AND ELECTIONS—REFERENCE TO COMMITTEE OF CANADA ELECTIONS ACT

Mr. Heath Macquarrie (Queens): Mr. Speaker, the other day I asked a question of the house leader, a question I have asked on more than one occasion. This had reference to the referral to the standing committee on privileges and elections of the Canada Elections Act. This is a procedure which normally follows a general election and, over the years, has proven to be a very useful one.

I may say I was not very pleased with the minister's answer, which at best was inadequate, and at worst was possibly arrogant and a bit discourteous. He said to me that the Prime Minister (Mr. Pearson) had in fact answered the question which, by implication, suggested I had not been listening. Actually the Prime Minister's reply dealt with another matter, namely the referral of the report on the commission on election expenses. When I pointed out to the minister that he had not heard me correctly he casually, and a bit discourteously, said he had heard me correctly. If he heard me correctly he answered me incorrectly; he can have it either way.

This is a most important matter. The machinery whereby the electors elect their government is not a matter lacking in consequence in any well ordered political society. It is an important, a vital matter. The public must have the best opportunity to exercise their franchise, to vote properly, to have the best devices whereby they may register fully their points of view.

The elections act stands today without substantial review and without careful study by this committee. We have had three elections without a revision of it. Many problems have come up. Many submissions have come from citizens pointing out matters which they think are important.

We were led to believe in the speech from the throne that there would be a referral to committee of the report on election expenses. On May 8 we were told that when the study was completed the government would put forward proposals. These we have not yet seen. Away back in 1963, on December 20 of that year, the privileges and elections committee brought in a report to this house which contained a paragraph saying the committee recommended that it be empowered to study the Canada Elections Act at the earliest possible date next session, with a view to affording the committee an opportunity for exhaustive and constructive examination and study of that act. That was in 1963; but that call for an early opportunity has gone unheeded.

We are in a uniquely difficult situation as a result of the Representation Act, whereby there are new returning officers and new districts. Surely we do not want to add to their difficulty by having the elections act amended at the last moment.

It is always imprudent to have the election machinery rusty, but in a situation where you have a minority government, where there could be an appeal to the people at any moment, it is a shocking situation of neglect. We do not know what might happen, but if you look over the history of this government in recent years and see how accident prone it has been, we can see the only accident it has not suffered is a major defeat in this house; and by this I mean something more substantial than on the postal resolution. If such a defeat came we would not have an up to date Canada Elections Act.

Many problems arose in November, 1965. Thousands of our students found that the regulations did not provide them with a chance to vote. Civil servants abroad have constantly requested some machinery whereby they may register their franchise. This has been brought before the committee time and time again. I would hope there would be an opportunity for the committee to recommend, and for the house to adopt, a broader provision, covering not just civil servants and external affairs officers but providing for an absentee vote that would give an opportunity for Canadians abroad, in a general category, to exercise their franchise.

For years we have talked about a permanent list whereby long election campaigns could be shortened. This is the kind of thing to which we should be applying ourselves. I think it is disgraceful; it is neglectful, it is imprudent; it is unwise. If I were the Secretary of State I would say that the fact that nothing has been done about this is an indication of rotten management. We find that the committee has not been constituted. No chairman has been designated. Some of us are becoming weary of calling the government to task in this regard. We would hope that in this area at least they would discard the languid approach and regard the election machinery as something pretty important to a responsible government. I would hope that the step of having referred to the committee for study more than the matter of the age of voting might be taken forthwith.

Proceedings on Adjournment Motion

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I wish to begin by assuring my hon. friend that in answering his question recently there was no intention on my part to be discourteous. This is the last thing I would inflict upon him, above any member of the house, and I am sure he is aware of that.

As my hon. friend knows, we have sent at least one resolution affecting the voting age to this committee. The government expects to send the report on election expenses to this committee before the end of this session, and I hope at an early date. With regard to the elections act, I agree with the hon. member that it is desirable that this act be considered by the committee at the earliest possible date. It may not be possible to have a committee study of the elections act at this session, but certainly it will be considered very early in the next session.

PARLIAMENT HILL—INQUIRY AS TO MAINTENANCE OF CENTENNIAL FLAME

Mr. H. E. Gray (Essex West): Mr. Speaker, on November 29 on the orders of the day I asked the Prime Minister whether the government would keep the centennial flame burning after the end of the year as a symbol of Canadian unity. When Mr. Speaker ruled that he did not consider the question to be sufficiently urgent to be answered during the question period I immediately gave notice that I wished to raise it on an adjournment debate. This is the first convenient time this could be done.

I asked my question on November 29 by way of expressing my view that the flame should not be snuffed out permanently on December 31. I felt, and subsequent events proved that I was correct, that this view was shared by most of the members of this house and by millions of other Canadians as well.

I think I should indicate at this time, for the record at least, that I had the privilege of raising this question in the house on the orders of the day perhaps a week before a similar question was put by a member of one of the opposition parties. His question was also not accepted by Mr. Speaker at that time. I do not think I would be giving away any secrets if I said that, joined particularly by other members on this side of the house, I continued my efforts through direct contacts with the Prime Minister and the Minister of Public Works (Mr. McIlraith) to have the government's original decision not to continue the flame reversed.

[Mr. Macquarrie.]

Therefore, I was pleased to note the information in the answer given to the hon. member for Kootenay West (Mr. Herridge) yesterday by the Prime Minister, that the flame would be continued. After all, there are as yet all too few monuments which stand as tangible symbols of Canada as a nation and which are accepted as such by the public at large. The flame has proven to be one of these. Although it was intended only as a symbol of centennial year, the flame immediately became looked upon by the public at large as something more—as a symbol of Canada as a nation.

• (10:10 p.m.)

If any proof of this is required, it has been provided by the way it has drawn almost every visitor to the hill, from the first day it was ignited by the Prime Minister almost a year ago. Further proof has been provided by the public protest when it appeared the flame would be extinguished as of December 31 of this year. To have extinguished this flame at that time could very likely have been interpreted, though wrongly interpreted, by some elements of the press and public as symbolizing in a negative way, again quite wrongly, the fate of our country. However, if this flame continues to burn it can and will be a tangible gesture demonstrating our faith as representatives of the people of this country in the continuing existence of a united Canada from sea to sea.

The Prime Minister has now said that the flame will continue, but I think there are two further points to be made at this time. A press report today suggests that the flame may be moved away from parliament hill to another point in Ottawa. I think this would be the wrong thing to do. The symbolic effect would not be the same if the flame continued to burn at some location other than parliament hill; at another site. Is there a better place than parliament hill for such a flame? After all, it is a place for the coming together of the people of this country as Canadians; it is the focal point of their aspirations and hopes, as Canadians. The parliament buildings provide a fitting background for the flame which could not be found at any other place in Ottawa.

The second point I wish to make is that I have heard that private interests have indicated their interest in providing the cost of continuing the flame. While I understand the good intentions behind such an offer, in my opinion it would be more appropriate if this flame were maintained, not by special

interests, but by the Canadian people. Some may raise a question about the cost of having the flame continued, but there would be in any event the sizeable cost of dismantling the mechanism for the flame and repaving the roadway. I am confident that the cost would be very small in comparison to other expenditures that are being made, and if we wanted to I am sure we could come up with ways of tightening up on some of these other expenditures to make up the amounts required. But I am sure the cost at most would be small compared with the symbolic benefits.

When the mayor of Montreal spoke at the closing of Expo he said in effect: Expo is gone, but long live man and his world. The new decision of the government about the flame will enable the Prime Minister to say on December 31: The flame of the centennial will be gone, but this flame at the same time will live on as a memento of centennial year; but, more important, it will be a symbol of Canadian unity and our faith in the Canada of tomorrow.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I am delighted to hear the hon. member speak as he has spoken. I am sure that hon. members will feel that the centennial celebrations have somehow created a new pride and faith in the hearts of Canadians. It seems to me that this centennial flame has become a symbol of this pride and faith in Canadianism.

A decision has been made to continue the flame in perpetuity. The question will ultimately have to be decided as to what if anything should be done to improve the layout of the plaza surrounding it. It has been placed on a walk adjacent to a road that was not designed to accommodate the traffic pattern on the hill today. It may be found that the surrounding area should be improved. The actual flame structure was designed for use for only one year. Parts of this will have to be replaced and may involve redesign and the use of different materials. At no time has there been any question that the cost of maintenance of the flame was of such magnitude that it should be discontinued for this reason. That has never been put forward or suggested by anyone.

The question which must be decided is related to the best way to preserve this symbol, which has become well known throughout our centennial celebrations, and how to preserve it during the new century which we are entering. We may at some later time take a decision as to its possible relocation. If you examine its location carefully you will see that at some future time this may have to be reconsidered.

Let me give an illustration of what I have in mind. It has been suggested that when the new museum is designed for location in the central part of the city the landscaping could be such that this centennial flame could be placed at its entrance to great advantage.

All I am trying to indicate is that at the start of a new century in Canada's history it is not wise, perhaps, to make a final decision as to the precise site of a flame of the importance of this one. In any event, the decision is that it will be left exactly where it is for the time being, and these other questions will have to be decided later. I believe that news should be pleasing to all hon. members. As a matter of fact, I am surprised by what has gone out in the news in the last days and weeks. It has got a little out of hand. However, Mr. Speaker, I do not propose to go into this aspect of the matter tonight.

Motion agreed to and the house adjourned at 10.19 p.m.

HOUSE OF COMMONS

Wednesday, December 13, 1967

The house met at 2.30 p.m.

DEFENCE PRODUCTION ACT

AMENDMENTS RESPECTING LETTING OF CONTRACTS

Hon. C. M. Drury (Minister of Industry) moved the first reading of Bill No. S-28 (from the Senate), to amend the Defence Production Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JET AIR SERVICE, ST. JOHN'S, NFLD.-MONTREAL

Question No. 655—**Mr. MacLean (Queens):**

1. Has Eastern Provincial Airways applied to the air transport committee for operating rights for a jet service from St. John's, Newfoundland, to Montreal via Charlottetown, Prince Edward Island, and Charlo, New Brunswick?

2. If the above request has been made, when is it expected that a decision regarding it will be made?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. Eastern Provincial Airways (1963) Ltd. has applied to the air transport committee for an amendment to its licence No. A.T.B. 12/45(S) which authorizes a class 1 scheduled commercial air service to the points Charlottetown, Summerside, Moncton and Iles de la Madeleine by adding the points Bathurst/Charlo, New Brunswick and Montreal, Quebec. The carrier proposes to operate this service with three Handley Page Dart Herald aircraft.

2. This application has been set down for a public hearing after which the air transport committee will reach a decision based upon the evidence adduced.

AIRPORT ASSISTANCE PROGRAM

Question No. 657—**Mr. Dinsdale:**

1. Since the program was inaugurated, how much money has been expended each year under the airport assistance program?

2. What has been the expenditure for each province?

3. What airports have received assistance and to what amount in each case?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. The following table shows the approved commitments and expenditures under the airport assistance program since June 3, 1965.

	1965-66	1966-67	1967-68 (to Nov. 30, 1967)	1968-69
Approved commitments	$1,000,000	$1,000,000	$905,477	$223,000
Expenditures	490,608*	540,854*	378,468**	Nil

*The difference between approved commitments and expenditures in the year of approval is due in most cases to the time required for local interests to survey, purchase or expropriate the sites concerned, and complete legal matters relating to the land title before construction can commence.

**The anticipated expenditure for 1967-68 is expected to be approximately $800,000.

2. The expenditures and outstanding commitments for each province are as follows:

Province	Expenditures	Outstanding commitments
Newfoundland	$318,739	Nil
Prince Edward Island	Nil	Nil
Nova Scotia	Nil	$ 15,000
New Brunswick	97,699	145,301
Quebec	372,381	422,319
Ontario	254,587	763,950
Manitoba	Nil	Nil
Saskatchewan	Nil	33,000
Alberta	273,775	192,725
British Columbia	92,749	149,251

27053—338½

Questions

3. The following airports received assistance in the amounts indicated in each case under the heading "Expenditures". Also shown is the balance outstanding against the approval.

Airport	Expenditures	Outstanding Commitments
Bay d'Espoir, Nfld.	$ 240,460	Nil
Conche, Nfld.	9,790	Nil
St. Anthony, Nfld.	68,489	Nil
Margaree, N.S.	—	$15,000
Bathurst, N.B.	94,687	5,313
St. Stephen, N.B.	3,012	79,988
Woodstock, N.B.	—	60,000
Bromont, Que.	—	158,000
Chibougamau, Que.	—	223,000
Drummondville, Que.	142,681	41,319
Eastmain, Que. (seaplane base)	12,228	Nil
Havre St. Pierre, Que. (additional development)	24,972	Nil
Lebel-Sur-Quevillon, Que.	192,500	Nil
Elliot Lake, Ont.	780	229,220
Midland, Ont.	—	38,070
Niagara District, Ont. (passenger operations building)	22,611	19,374
Peterborough, Ont.	149,276	446,724
Sarnia, Ont.	—	30,562
South Porcupine, Ont. (seaplane base)	26,920	Nil
Waterloo-Wellington, Ont. (aircraft parking apron)	55,000	Nil
Biggar, Sask.	—	19,000
Eston, Sask.	—	5,000
Unity, Sask.	—	9,000
Edson, Alta.	—	43,000
Footner Lake, Alta.	117,115	29,925
Fort Chipewyan, Alta.	100,000	Nil
Fort Vermilion, Alta.	10,200	89,800
Stettler, Alta.	—	30,000
Wabasca, Alta.	46,460	Nil
Creston, B.C.	—	25,000
Langley, B.C. (additional development)	92,749	95,251
Port Simpson, B.C.	—	7,000
Sechelt, B.C. (seaplane base)	—	3,000
Sointula, B.C. (seaplane base)	—	19,000

[Mr. Byrne.]

MONUMENT TO BROTHERHOOD OF MAN

Question No. 663—**Mr. Simard:**

Has the government received representations to have a monument dedicated to the "brotherhood of man" erected at the entrance of Expo '67 and, if so, does the government intend to proceed with such a project?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Prime Minister's and Privy Council offices, the Department of Trade and Commerce and my department as follows: No.

COLLECTION OF STATISTICS

Question No. 711—**Mr. Enns:**

1. How many employees at D.B.S. are involved with statistics concerning health?

2. How many employees at D.B.S. are involved with statistics concerning education?

3. How many employees at D.B.S. are involved with statistics concerning welfare?

4. Are any plans under way to strengthen the D.B.S. staff to collect adequate statistics in the field of welfare?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The health and welfare division of the Dominion Bureau of Statistics has an establishment of 116 positions concerned with health statistics, of which 105 were filled as of November 23, 1967.

2. The education division of the Dominion Bureau of Statistics has an establishment of 40 positions, of which 31 were occupied as of the same date.

3. The Dominion Bureau of Statistics does not have any employees involved with statistics concerning welfare, in the institutional sense. In so far as age, income, employment status and other demographic characteristics are concerned, as measured by censuses and periodic surveys, D.B.S. has a significant number of employees concerned with welfare statistics.

4. D.B.S. has plans to strengthen its staff concerned with institutional welfare and related statistics. However, such plans will not be made operational until additional resources can be allocated.

INFORMATION SERVICE, FISHERIES DEPARTMENT

Question No. 714—**Mr. MacLean (Queens):**

1. (a) For each of the years 1964 to 1967 inclusive, how many persons were employed in the information and/or public relations services of the Department of Fisheries (b) in each such year, what

was the total amount of salaries paid for such services?

2. (a) For each of the years 1964 to 1967 inclusive, what persons, firms or corporations, if any, other than the departmental information or public relations services have been employed and/or retained for the purpose of preparing, disseminating or in any manner dealing with the information services and/or public relations of the Department of Fisheries (b) what are the names of such persons, firms and corporations, if any; for what purpose and period was the employment and what was the cost in each instance (c) were public tenders called for the services described in (a) and (b) and, if not, upon what basis and by whom was the selection made?

3. (a) For each of the years 1964 to 1967 inclusive, what radio and television time has been purchased by the said department; for what purpose and for what cost (b) for each of the years 1964 to 1967 inclusive, what advertising or other space was purchased by the said department in domestic and foreign newspapers, magazines and other publications; and for what purpose and for what annual cost?

4. For each of the years 1964 to 1967 inclusive, what advertising or any other related contracts other than those referred to above have been awarded by the said department?

Hon. H.-J. Robichaud (Minister of Fisheries): 1.

	(a)	(b)
1964-65	20	$114,165
1965-66	24	124,191
1966-67	26	174,841

2. (a), (b) and (c). The following were employed for building and/or refurbishing exhibits and displays: Canadian Government Exhibition Commission, Ottawa, Ontario: Employed periodically throughout each of the years 1964 to 1967; 1964—$500; 1965—$26,265; 1966—$7,000; 1967—$21,500. This commission is the designated government agency for providing these services. Pierre Guibert Ltd., Eastview, Ontario: 1964—4 weeks, $2,586.30; 1965—6 weeks, $5,256.85; 1966—8 weeks, $6,773.64; 1967—5 weeks, $2,375.75. This is the only local firm available for supervised work under department's exhibits and displays officer; this company hired when Canadian government exhibition commission too busy to handle certain assignments. Challier Display Associates Ltd., Vancouver, B.C.: 1965—3 weeks, $1,962.56. Portable displays constructed on west coast for initial use in that area. Western Displays Ltd., Vancouver, B.C.: 1966—5 weeks, $1,712.07. Portable displays constructed on west coast for initial use in that area. Shopland Construction Ltd., Vancouver, B.C.: 1966—8 weeks, $3,659.00. On-site construction of outdoor fishway in display.

Selection of the three west coast firms listed above was made under supervision of director, information service, either on advice of the Canadian government exhibition commission or following investigation of firms with ability and experience in fisheries exhibit operations.

The following were employed for art work and/or design for conservation posters, fish recipe booklet and booklet designed to promote proper fish handling at retail level: Fairbairn Studios Ltd., Ottawa, Ontario: 1966—approximately 80 hours, $1,068.69; 1967—approximately 100 hours, $1,245.00. Selection made under supervision of director, information service, on the basis of quality and competitive costs of work done by this firm for the department in previous years as Queen's Printer involved with centennial, Expo and other government publications.

3. (a) 1964-65, television, $1,999; for promotion of lobster conservation. 1965-66, nil; 1966-67, radio, $1,776; television, $2,040; for publicizing experimental lobster conservation programs. (b) 1964-65, $40,776.00; 1965-66, $44,879.64 for display advertisements in domestic newspapers and magazines to promote quality control; placed through Tandy Advertising Co. Ltd., Toronto, Ontario.

4. Nil.

FEASIBILITY STUDY OF SMELTER FACILITIES FOR PINE POINT ORE

Question No. 740—**Mr. Nielsen:**

1. Was the firm of Canadian Bechtel appointed or retained to investigate and report on the feasibility of the establishment of a smelter and/or smelter facilities for the treatment of ores from Pine Point in the Northwest Territories?

2. If such appointment was made, upon what date was it so made?

3. If such appointment was made on a contract basis, what was the contract price of the work to be performed?

4. If such appointment was made and the services were to be performed on a cost plus or other financial arrangement, what are the details of such financial arrangements?

5. If such appointment was made, has any report yet been received from Canadian Bechtel?

6. If such report was received, is the investigation by Canadian Bechtel completed and, if not, when is the same expected to be completed?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development: 1. Yes.

2. February 10, 1966.

3. Maximum of $160,000.

4. The contract specified that Bechtel would be paid the lesser of (a) $160,000 or (b) the aggregate of the recoverable costs and fee. The recoverable costs and fee include (a) Payroll and related personnel costs. (b) Indirect costs, mainly maintenance and operation of Bechtel's regularly established offices, calculated at 75 per cent of (a). (c) Materials and supplies costs. (d) Travel and subsistence costs. (e) Consultants fees and outside services costs, related to consultants other than Bechtel. (f) Communication costs, telephone, telegraph, etc. (g) Miscellaneous costs, all other costs incurred in the performance of the work. (h) Fee, 15 per cent of the aggregate of items (a), (b), (c), (e) and (g) above.

5 and 6. A confidential report has been received and reviewed by the department. This review indicated areas which required further investigation and Canadian Bechtel Limited has agreed to do this. It is expected that the final report will be completed by mid-February, 1968.

*COST OF CANADIAN PAVILION, OSAKA, JAPAN

Question No. 743—**Mr. Isabelle:**

1. How much will the Canadian pavilion cost which is to be built for the 1970 international exhibition in Osaka, Japan?

2. What firm of architects has been chosen to draw up the plans and specifications for this pavilion and how was this firm of architects chosen?

3. To the knowledge of the government, what will be the main theme exhibits which Canada will show inside its pavilion?

4. Has the Commissioner who is to represent Canada at this exhibition been chosen yet and, if so, what is his name?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The estimated cost of the Canadian pavilion for the 1970 international exhibition in Osaka, Japan, to be held from March 15 to September 13, 1970, is $3,200,000.

2. The firm Erickson/Massey of Vancouver won the architectural contest for the design of the Canadian pavilion. The contest, organized under the rules set up by the Royal Canadian Institute of Architecture, drew 208 contestants and the jury of eight members was composed of architects and stand designers.

3. The basic theme of the international exhibition in Japan is "Progress and harmony for mankind". The main theme exhibits for the Canadian presentation have yet to be chosen.

4. No.

[*English*]

*PROVISION FOR EXPROPRIATIONS IN HULL, QUE.

Question No. 744—**Mr. Isabelle:**

1. What amount was provided for expropriations by the federal government or by government agencies within the limits of the City of Hull in the estimates for the year 1966-67?

2. Was this amount spent and, if not, was it included in the estimates for 1967-68?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am informed by the National Capital Commission as follows:

1. The National Capital Commission provided $800,000 in its capital budget for 1966-67 for the acquisitions of property, by expropriation or otherwise, including $300,000 for Gatineau park, in the national capital region in the province of Quebec. The region includes the city of Hull. Amounts that might be spent within the corporate limits of the city of Hull were not specifically identified.

In 1966-67 an amount of $631,760 was spent for the acquisition of property in the national capital region in Quebec as follows: $249,010 for Gatineau Park; $287,646 in Hull; and $95,104 in other areas in the region.

2. No specific provision was made in 1967-68 for acquisition of property located within the corporate limits of the city of Hull. The sum of $1,000,000 was provided for the acquisition of property in the national capital region in Quebec, including $600,000 for Gatineau park properties.

[*English*]

PURCHASE OF SNOWSHOES

Question No. 745—**Mr. Hymmen:**

1. Did the government, through the Department of Defence Production, recently purchase an order of snowshoes and, if so, what was the total amount of the purchase?

2. From whom were they purchased?

3. How many pairs were ordered?

4. What was the price per pair?

5. For what purpose were these snowshoes intended?

6. If these are for military purposes, how many military personnel or units will be so equipped?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Defence Production and National Defence as follows:

1. Yes.

2. Magline of Canada Limited, Renfrew, Ontario.

3. 7,815 pairs.

4. $32.50 f.o.b. No. 26 central ordnance depot, Cobourg, Ontario.

5. To replenish stocks.

6. 17,065.

FEDERAL PAYMENT FOR INDIAN BURIAL, QUEBEC

Question No. 752—**Mr. Laprise:**

1. What amount is paid out by the federal government for the funeral, religious service and burial of an Indian in the province of Quebec?

2. When was the last readjustment of this rate made?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1 and 2. The Indian affairs branch welfare policy provides for the payment of burial costs on behalf of Indians when it is not possible to meet such costs from the estate of the deceased or from band funds.

The Indian affairs branch allows the same rate for the burial of an indigent Indian on the reserve as the surrounding community allows for the interment of an indigent non-Indian. These rates vary from municipality to municipality and also may vary within a large urban community such as Montreal or Quebec where all funeral directors may not have the same indigent rate.

COMPLETION OF MAIL CENSUS

Question No. 754—**Mr. Pascoe:**

1. Has the government completed its test of taking the next Dominion census by mail?

2. If so, are the completed questionnaires being processed in Canada?

3. If not in Canada, where are they being processed?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. No. However, the field work of a test in London, Ontario has been completed.

2. Yes, except that scanning by electronic equipment and transfer to computer tape in connection with the London test is being done by the United States bureau of the census, Washington, D.C. This involves only the transfer of information from forms to computer tape using advanced and complicated electronic equipment available at the present time only in the United States bureau of the census.

3. See answer to (2) above.

FOREIGN OWNED AND CONTROLLED INDUSTRIES

Question No. 768—**Mr. Rynard:**

1. What is the total number of foreign-owned and controlled industries operating in Canada?

2. What are the names of these foreign-owned and controlled industries?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. In examining the industrial structure of the Canadian economy, The Standard Industrial Classification published by the Dominion Bureau of Statistics has divided activity in Canada into 10 industrial divisions, excluding government departments, broken down into 51 major industry groups. These are further subdivided into industries.

The extent of foreign investment in each of these industries is not readily available at the present time. However, in three industrial divisions, agriculture, forestry and fishing, foreign investment is very small and in another five industrial divisions non-resident owned firms carry on less that 25 per cent of the activity. These industrial divisions are construction, transportation, communication and other utilities, trade, finance and service industries.

In the mining industrial division, oil and gas wells are largely foreign owned while metal and non-metal mines in total are equally divided between resident and non-resident owned companies. Certain of the individual metals are dominated by foreign owned firms while others are dominated by Canadian owned firms.

In the manufacturing industrial division information is available on a basis of 89 industries. In 19 of these industries, more than 75 per cent of the sales are by companies that are more than 50 per cent foreign owned.

2. The industries in which more than 75 per cent of the sales are by corporations more than 50 per cent non-resident owned are as follows: Mining industrial division, oil and gas wells. Manufacturing industrial division, rubber footwear and tires, other rubber products, synthetic textile mills, non-ferrous metal smelting, miscellaneous metal fabricating, commercial refrigeration and office and store equipment, motor vehicles and parts, aircraft and parts, electrical industrial equipment, battery manufacturers, refractories manufacturers, other non-metallic mineral products, petroleum refineries, other petroleum products, pharmaceuticals and medicines, toilet preparations, soaps and cleaning

compounds, plastics, synthetic resins and explosives, scientific and professional equipment.

CAR FERRY, BORDEN, P.E.I.-TORMENTINE, N.B.

Question No. 770—**Mr. MacDonald (Prince):**

1. Is a new ice-breaking car ferry being constructed to operate between Borden, Prince Edward Island, and Tormentine, New Brunswick?

2. When was approval given for the construction of this car ferry, what was the expected date of commencement of service at that time, and what was the predicted cost?

3. When was construction begun, by whom, where is it being constructed; was construction begun there, and if not, for what reason?

4. When is it expected construction will be completed, how much has it cost to date and what will be the completed cost?

5. When will it begin active service?

6. How many passengers will it carry?

7. What form of restaurant, restroom and lounge facilities will be available?

8. How many automobiles will it carry?

9. How many railroad cars will it carry?

10. How many persons will be employed and in what capacity?

11. What is its length, breadth, depth, draft and expected speed?

12. What will be the name of this new car ferry?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. Yes.

2. Cabinet approval in the amount of $14,000,000 was granted on July 9, 1963. The then target date for service was the fall of 1967.

3. Construction was begun December 25, 1965 by Marine Industries Limited, at Sorel, P.Q.

4. Up to November 30, 1967 progress payments totalling $11,878,769.70 have been made to the shipbuilder and the vessel will be completed in September, 1968 at an estimated total cost of $13,900,000.

5. October, 1968.

6. One thousand.

7. Passengers facilities will be available on the promenade deck: aft—cafeteria for 144 persons and numerous seats on the open deck; amidships—lounge seating 90 persons, five double berth cabins and ladies' and gentlemen's rest rooms; forward—observation lounge seating 196 persons.

8. Ninety.

9. Twenty-four.

10. Crew total, 82, comprising: Captain, 8 deck officers; 10 engineer officers; 1 catering officer; 6 petty officers; 22 catering crew; 24 seamen; 10 engine room crew.

11. Length, 400 feet; breadth, 67 feet; depth, 45 feet three inches; draft, 20 feet; service speed, 18 knots.

12. *John Hamilton Gray.*

PAY OF VETERANS HOSPITALS ORDERLIES

Question No. 781—**Mr. Thomas (Middlesex West):**

1. What are the rates of pay for hospital orderlies in D.V.A. hospitals in Vancouver, B.C.?

2. What are the rates of pay for similar orderlies in London, Ontario?

3. When was the last regular increase made in these rates?

4. Is an interim increase now in effect?

5. If an interim increase is now in effect, when is a regular increase expected to be made?

Hon. Roger Teillet (Minister of Veterans Affairs): 1. Grade 1 (trainees), $3,510-$3,831; Grade 2, $4,317-$4,959; Grade 3, $4,553-$5,195; Grade 4, $5,045-$5,527.

2. Grade 1 (trainees), $3,510-$3,831; Grade 2, $3,836-$4,317; Grade 3, $4,071-$4,553; Grade 4, $5,045-$5,527.

3. October 1, 1966.

4. No.

5. It is expected that the next regular increase will result from collective bargaining.

CANADIAN FILM DEVELOPMENT CORPORATION

Question No. 786—**Mr. MacDonald (Prince):**

1. What are the regulations governing the activities of the Canadian Film Development Corporation?

2. How much money has the Corporation disbursed and on what projects?

3. Who are the Chairman of the Corporation, the members of the Corporation, the Executive Director and Secretary?

4. Has an advisory group been appointed to the Corporation and, if so, what members have been appointed?

5. What staff or special advisers are employed by the Corporation?

Hon. Judy V. LaMarsh (Secretary of State): 1. The corporation is governed by the provisions of the Canadian Film Development Corporation Act. There are no regulations enacted specifically with respect to the Canadian Film Development Corporation.

2. None.

3. Not yet appointed.

4. No.

5. None.

*ENTRY OF CATTLE FROM ENGLAND

Question No. 791—**Mr. Ricard:**

How many permits were issued by the government of Canada in November 1967 to allow entry into Canada of cattle from England?

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): In November three permits were issued for the purpose of amending the importation date on earlier permits covering 26 cattle which had been in the Glasgow, Scotland, quarantine station since September 9, prior to the outbreak of foot and mouth disease in England. Their movement was delayed because of shipping difficulties.

MOTION PICTURE PRODUCTION

Question No. 794—**Mr. Dinsdale:**

1. For each of the past five years, how many original motion pictures have been produced by the national film board (a) for the government (b) for crown corporations (c) for private companies?

2. What has been the total cost for (a) and (b) above?

3. For the same period, how many original motion pictures have been produced under contract by commercial film companies, and what has been the total cost of these films?

4. Who produced the film for Labyrinth at Expo 67, and (a) what was the contract price (b) were there any costs in excess of the contract (c) if so, who pays these costs?

Hon. Judy V. LaMarsh (Secretary of State): 1. Original motion pictures produced by the National Film Board (a) for government departments, 1962-63, 17; 1963-64, 23; 1964-65, 44; 1965-66, 41; 1966-67, 38. (b) for crown corporations, 1962-63, 2; 1963-64, 2; 1964-65, 9; 1965-66, 2; 1966-67, 6. (c) for private companies, 1962-63, nil; 1963-64, nil; 1964-65, nil; 1965-66, nil; 1966-67, nil.

2. (a) for government departments, 1962-63, $284,632; 1963-64, $473,366; 1964-65, $680,064; 1965-66, $439,437; 1966-67, $759,988. (b) for crown corporations, 1962-63, $59,106; 1963-64, $88,439; 1964,-65, $157,277; 1965-66, $68,739, 1966-67, $326,956.

3. Original motion pictures produced under contract by commercial film companies (a) Total films, 1962-63, 2; 1963-64, 1; 1964-65, 3; 1965-66, 3; 1966-67, 8. (b) Total cost, 1962-63, $68,855; 1963-64, $6,963; 1964-65, $65,007; 1965-66, $60,365; 1966-67, $61,481.

4. The National Film Board produced the film for Labyrinth at Expo '67 as contractor to the Canadian Corporation for the World Exhibition 1967 (a) The contract price was $4,420,000, as follows: (i) Manufacturing and installation including major items such as Canadair rental, mock-up, rental of special equipment, and equipment, $2,705,179; (ii) Operating expense of exhibit, $214,821; (iii) Building construction (not NFB responsibility), $1,500,000. (b) Yes. $90,000—Additional costs of operating the exhibit, including extra staff, overtime, prints of film. (c) Payment has been requested from the Canadian Corporation for the World Exhibition 1967. Matter still under negotiation.

RICHARD WRIGHT—EMPLOYMENT AS CONSULTANT

Question No. 803—**Mr. Jorgenson:**

Is Mr. Richard Wright currently being employed by the Department of Industry as a consultant and, if so (a) what are his terms of reference (b) to whom does he report (c) what is his remuneration?

Hon. C. M. Drury (Minister of Industry): Yes. (a) 1. To develop a statement of what the external communications objectives of the Department of Industry should be, particularly in respect of its two major programs, area development and industrial development.

2. To provide an analysis of the existing external communications activities now being carried out, particularly in the information and promotion branch, as well as in the rest of the department, and an evaluation of how these activities are contributing to achieving the objectives of the two above mentioned programs of the department.

3. In the light of (1) and (2) above, to make recommendations regarding the development of an external communications program and the necessary resources to carry it out. Attention should be paid as to whether the department should "make or buy" some of the services involved.

4. In the light of the above, and particularly with reference to item (1), to develop a detailed statement on what the communications policy and program should be in respect of the BEAM program; and, if time permits, the machinery program.

(b) Mr. A. R. Bailey, head, financial and administrative services.

(c) One hundred and seventy-five dollars per diem, with a contract ceiling of $5,000, including expenses.

Housing Crisis

ASSISTANCE TO VENDING MACHINE OPERATORS

Question No. 806—**Mr. Coates:**

Is the government giving consideration to providing assistance to vending operators in Canada who will be materially affected with the issuing of new coinage and, if so, what form will this assistance take?

Hon. Mitchell Sharp (Minister of Finance): The government is currently investigating the possible costs to the vending machine industry arising from the introduction of a nickel coinage and has not therefore reached any decision on the industry's request for assistance.

QUESTION PASSED AS ORDER FOR RETURN

EXPO '67—DISPOSITION OF ARTICLES FOUND

Question No. 576—**Mr. Korchinski:**

What disposition is to be made of all the articles turned in to the lost and found department at Expo '67?

Return tabled.

HOUSING

ALLEGED FAILURE OF CONFERENCE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Reid Scott (Danforth): Mr. Speaker, I have a motion to place before the house. I ask leave, seconded by the hon. member for Broadview (Mr. Gilbert), 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 continuing and growing housing crisis in Canada, particularly in view of the failure of the federal-provincial conference on housing to deal with the crisis, caused primarily by the lack of any new and effective proposals by the federal government.

Due to the pressures on our translation staff I was able to obtain only one copy of the motion in French, which perhaps could be made available to the leader of the Créditistes.

Mr. Deputy Speaker: Order. As the house knows, the question that faces the Chair is not the urgency of the problem itself but the urgency of debate. I would welcome any contributions which members might wish to make regarding the urgency of such a debate at this particular time. As there are not enough copies of the motion for the members, I shall read it. It is as follows:

I ask leave, seconded by the hon. member for Broadview, 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 continuing and growing housing crisis in Canada, particularly in view of the failure of the federal-provincial conference on housing to deal with the crisis, caused primarily by the lack of any new and effective proposals by the federal government.

Mr. Scott (Danforth): Mr. Speaker, perhaps I could address the Chair on the question of urgency of debate. I would first like to say that in moving this motion on behalf of the New Democratic party it is not a move we make with any feeling of happiness. I hope the house would believe that. Mr. Speaker, all of us welcomed the conference. All of us had high hopes for it. Most of us attended it and listened to its deliberations but unfortunately, Mr. Speaker, the conference did not adjourn; it died, and it died because—

Hon. Allan J. MacEachen (Minister of National Health and Welfare): On a point of order, Mr. Speaker—

Mr. Scott (Danforth): —because after the first day it became evident—

Mr. MacEachen: Mr. Speaker—

Mr. Scott (Danforth): —there was really nothing very much to discuss—

Mr. Deputy Speaker: Order, please. The Minister of National Health and Welfare on a point of order.

Mr. MacEachen: I am rising on a point of order because the hon. member is now commenting upon the housing conference. He is making gratuitous political comments instead of addressing himself to the matter of urgency of debate. I respectfully suggest, Mr. Speaker, that the hon. member be asked to observe the rule in this matter.

Mr. Deputy Speaker: The Chair is of the opinion that the point of order is well taken. I suggest to the hon. member for Danforth that the only argument the Chair wishes to hear at this particular point is an argument in favour of urgency of debate.

Mr. Scott (Danforth): Thank you, Mr. Speaker. I certainly will abide by your statement. It seems to me, however, that we are trying and have tried for several years to raise a matter which constitutes probably the most urgent social problem facing Canada.

This was so evident at the recent meeting. If that is not something which urgently warrants debate in this house, then what is urgent? Since I have been here we have had debates on the drought problems of the farmers and on the tolls on the St. Lawrence seaway; yet here we have a problem which confronts every single Canadian in a very direct way. If parliament cannot speak, who can? I do not retract my remark. I regret what happened at the conference. In fact the best speech was made, strangely enough, by the Minister of Transport (Mr. Hellyer).

• (2:50 p.m.)

Mr. Deputy Speaker: Order, please. I must remind the hon. member again that whatever may be the opinion regarding the importance of this matter, the question before the Chair at the moment is not the urgency of the problem but the urgency of debate. I would expect the hon. member for Danforth who knows the rules quite well, to abide by my wish that he discuss the urgency of debate at this particular time.

Mr. Scott (Danforth): Yes, Mr. Speaker. I had thought the breakdown of the conference would have created urgency for parliament to talk about it. Some suggestions were made by the various premiers which many of us liked, one dealing with sales tax remission, which obviously can be dealt with only by parliament but which, if accepted by the government, would have a very important influence on the housing problem. With respect, the reason I still think there is urgency is that the failure really came because nothing of a concrete nature was presented by the government. If the government will not speak, surely parliament must. Somebody must hold out some hope to the municipalities and provinces that this area of government is prepared to assume responsibility and act.

It seems to me that if the government will not act then parliament itself must be heard. If we are not to be heard, who is to be heard; and if not now, when? We must have an answer for people across the country who wish to hear what the federal parliament is prepared to do to provide leadership and a program to deal with the housing crisis which everyone who attended the conference acknowledged is one of the major social problems facing the country. What greater urgency could there be? When else will we have a chance so to do?

Some hon. Members: Order.

Mr. Scott (Danforth): I know the answer, Mr. Speaker, is that there is an opportunity during the budget debate which is in progress, but over the years we have found that this procedure simply is not an effective way to pin down an urgent problem in the social sector. It seems to me that the case for the discussion of housing today, as an urgent matter of public concern and public business, is overwhelming. I am surprised to hear opposition from the government benches in respect of this highly difficult, highly urgent and highly important matter. I believe there is no other opportunity for this matter to be taken up at this time by the parliament of Canada, and I am surprised that the government would not accept the debate immediately.

Mr. MacEachen: Mr. Speaker, the question before the house is whether there is an opportunity under the rules to discuss this matter. We are in the sixth day of the budget debate. On any of these days it has been possible for hon. members to bring forward the question of housing. In a moment or two we will be continuing with the budget debate. The hon. member for Winnipeg North Centre has the floor when the budget debate resumes, and if it is important that the hon. member for Danforth state his case it would be very easy for the whip of that party to arrange for that hon. member to be heard immediately when we resume the budget debate.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, there is no need to try to convince Your Honour of the importance of the matter referred to in this motion, because everyone knows that in Canada we have been falling short of the target for house building. What Your Honour has asked the house to discuss is whether it is important to discuss this question of housing at this moment.

Let me point out that throughout this entire session members on this side of the house have sought to raise the question of housing, to impress upon the government that there is a housing crisis in Canada and that conditions will be much worse in 1968 unless action is taken now. The government's reply has been that a conference was to be held between the federal and provincial governments during which these problems would be resolved and policies and programs would be enunciated.

That conference has taken place, and it is generally agreed by everyone that nothing productive has come from it. Therefore we are faced today with a situation totally different to any other which has faced the house at any time during this session. That is, the whole question of housing now is—

Mr. Deputy Speaker: Order, please. The Registrar General wishes to speak on a point of order.

Hon. John N. Turner (Registrar General): This point has already been raised, but surely the hon. member for Burnaby-Coquitlam should restrict himself to the urgency of debate and not to the urgency of the subject matter he wishes to discuss. I think the citations are quite clear to the effect that the urgency within the rules does not apply to the subject matter but refers to the urgency of debate, when the ordinary opportunities provided by the rules of the house do not permit the subject matter to be brought on at an early date.

After orders of the day hon. members of the N.D.P. will have ample opportunity to discuss this matter. This is the question to which the hon. member for Burnaby-Coquitlam should restrict himself at the moment. With the greatest respect, he is abusing the rules of the house.

Mr. Douglas: That was an entirely unnecessary and gratuitous interruption.

Some hon. Members: Oh, oh.

Mr. Douglas: I was just about to deal with the representations made by the Minister of National Health and Welfare. The first point I should like to bring to Your Honour's attention is that the failure of the conference presents a new situation and makes this debate urgent at this time. The second point is that there will be no adequate opportunity to debate this question until after the Christmas recess. Today the orders of the day provide one half hour, so at best we could resume the budget debate at 3.30. A vote must be taken by 5.45, which means we would have one hour and fifteen minutes to debate this matter. This will provide no opportunity whatsoever for members of the various parties in this house to express their views in respect of housing, nor will it provide any opportunity for the responsible minister to make a statement. All this cannot be done in one hour and fifteen minutes.

[Mr. Douglas.]

Members of the government are simply trying to muddy the waters when they say there will be ample opportunity to discuss this matter during the budget debate. They know very well there will not be adequate opportunity, and it is because they know there will not be this opportunity that they seek to get Your Honour to disallow this motion. I suggest to Your Honour that the question of housing, which is now made doubly urgent because of the failure of the conference, should be discussed and should be discussed here and now. I think the people of Canada expect parliament to discuss this matter, and discuss it immediately.

• (3:00 p.m.)

Mr. Deputy Speaker: The hon. member for Gaspé.

Mr. Nowlan: Mr. Speaker, could I ask the hon. member for Burnaby-Coquitlam a question?

Mr. Douglas: Yes.

Mr. Deputy Speaker: Order, please. The hon. member for Gaspé.

Mr. Nowlan: The hon. member for Burnaby-Coquitlam has agreed to accept a question.

Mr. Deputy Speaker: The hon. member for Gaspé.

Mr. Nowlan: I would like to ask the hon. member for Burnaby-Coquitlam a question. I am not detracting from the urgency of the matter but—

Mr. Deputy Speaker: Order, please. I would be prepared to permit the hon. member to ask a question of the hon. member for Burnaby-Coquitlam only if his question has to do directly with urgency of debate—

Mr. Nowlan: It has.

Mr. Deputy Speaker: —and not the urgency of the substance of the matter.

Mr. Nowlan: I think Your Honour will find that my question falls within the guide lines you have laid down. I ask the hon. member for Burnaby-Coquitlam, in view of the urgency of the problem and in respect of the allocation of funds, does he feel there is a higher priority for funds to solve the housing crisis or funds to solve the medicare crisis?

Mr. Deputy Speaker: Order, please. The question is out of order.

Mr. Douglas: I would be glad to answer it.

Mr. J. R. Keays (Gaspé): Mr. Speaker, I agree that there is urgency of debate on this question. To illustrate that urgency I would remind the house that only a short time remains in the budget debate, and there certainly will not be time for members of all parties to express their views on the housing crisis which now faces Canada. We must remember that the calling of a dominion-provincial conference was an acknowledgement that there is a housing crisis in this country. I do not believe anyone in Canada has ever seen such an exercise in futility as has been indulged in by the government.

Mr. Deputy Speaker: Order, please. The Chair is only asking assistance from members of the house in so far as urgency of debate is concerned. I recognize that this is a problem, but the only assistance the Chair needs is on the matter of urgency of debate and not on the importance of the problem itself.

Mr. Keays: The urgency is demonstrated by the fact that everyone can witness the suffering of people in the urban areas of Canada because of the congestion in those areas.

Mr. Deputy Speaker: Order. I would say to the hon. member that it is urgency of debate in which the Chair is interested.

Mr. Keays: With all deference, Mr. Speaker, I believe that when there is suffering there is always urgency.

Some hon. Members: Hear, hear.

Mr. Keays: Unless we have a debate on this important subject I do not see how we can ever hope to tackle and solve the problem. It has been acknowledged that there is a housing crisis in Canada, and all we have been told is what will be done in 1969.

Some hon. Members: Order.

Mr. Keays: There is urgency in our finding a solution to the problem. I maintain that the urgency of the matter calls for action now and not in two years' time.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, you recognized earlier the importance and urgency of the matter. The question is to decide whether it is urgent to adjourn the regular business of the house in order to discuss that matter. The best proof of the urgency of a debate is that members of the government obviously fear that such a debate will be allowed at this time.

The Minister of National Health and Welfare (Mr. MacEachen) suggests that the question should be raised during an insignificant debate that fails to arouse public opinion.

We are aware, as mentioned earlier by the hon. member for Burnaby-Coquitlam (Mr. Douglas), that the budget debate will come to an end in about an hour, an hour and a quarter, and yet, the Minister of National Health and Welfare suggests that the housing problem should be discussed at that time.

Now, as the government knows, the recent federal-provincial housing conference was a real fiasco. I feel the matter is urgent because it means discussing housing for Canadians across the country.

Mr. Speaker, I congratulate the hon. member for Danforth (Mr. Scott) for having introduced this motion which the hon. member for Broadview (Mr. Gilbert) seconded. If ever there was a time to discuss housing—members have tried to bring up the matter for debate in the house repeatedly, but in vain—this is it.

To my mind, Mr. Speaker, more than ever before the matter should be discussd now. If a motion such as this one is needed, well, let us pass it graciously and then endeavour to find a solution to the most important and pressing problem of housing in Canada.

[*English*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, addressing myself to the matter of urgency of debate I would like to draw your attention to the fact that there has just been a two day debate in Ottawa on this subject. At that conference were representatives of the federal government and senior officials of the provincial governments, which share responsibility in the matter of housing. As I said, a two day debate has just been concluded on this subject.

I suggest to Your Honour that some matters involved in this question, namely land assembly costs, building codes and so on, are the exclusive responsibility of other levels of government. I ask, why is it urgent to have such a debate now when a debate on the subject has just been concluded?

In addition, Mr. Speaker, I think the hon. member for Burnaby-Coquitlam advanced the most effective argument of all for having

this motion ruled out of order when he suggested that there is insufficient time left between now, at about ten minutes after three, and five o'clock in which to discuss this matter. I suggest to Your Honour that the time left before the adjournment of today's sitting is exactly the same whether the debate takes place as the result of a motion to adjourn the house under standing order 26 or in the budget debate. There is no more and no less time. Therefore I suggest that if hon. members opposite are really serious about wanting a long period of time to discuss what they say is an urgent matter, they should not do it when our time is limited but should raise the question at a time when we could spend the whole day discussing it.

Hon. Michael Starr (Ontario): Mr. Speaker, I am not going to argue against urgency of debate on this matter; I think most people are very much aware of the urgency of the housing problem. However, in view of the fact that this conference has just terminated, and in order to save time and give the leaders of the parties an opportunity to comment on the question, I suggest to the right hon. Prime Minister—and I think he would receive unanimous consent—that we revert to motions in order to permit him to make a statement on the conference. I believe this would give spokesmen of all parties ample opportunity to comment on the matter. We would be prepared to give that consent now.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I can do better than that. There is no question about this being a serious problem. It will be with us for a long time, of course.

Some hon. Members: Oh, oh.

Mr. Pearson: Therefore the question of urgency has to be related to the continuing nature of the problem. I think it would be a good idea to have a day's debate on housing. We were going to adjourn, as indicated, on December 21. We can stay here another day, and we will arrange for a housing debate on December 22.

Some hon. Members: Hear, hear.

• (3:10 p.m.)

Mr. Starr: Mr. Speaker, I did not want to speak on this matter but I must say I am very surprised that the right hon. Prime Minister should treat this matter as lightly as he does. I made a serious suggestion that we revert to motions, which would give him the opportunity to make a statement. He would then be able to speak about the conference on housing and the future plans of the government in respect of housing. An opportunity would also be given to a spokesman from each party to voice their opinion and their position. If the right hon. Prime Minister would take this matter seriously and agree to this suggestion we are prepared to revert to motions.

Mr. Pearson: May I say on this point, which I do take very seriously, that unfortunately a statement on motions does not make a debate possible, as my hon. friend knows, but merely permits a statement from one representative of each party. We would like to do more than that and have a debate on housing. I suggest we do this on December 22.

Some hon. Members: Good idea.

Mr. Starr: Mr. Speaker, the suggestion of the right hon. gentleman is acceptable to us.

Mr. Deputy Speaker: Order, please. Hon. members have been very generous in their advice to the Chair, and if there is no further assistance to be given I would be prepared to make a ruling now.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I will be very brief. I am sure the members of this party would be happy to accept the suggestion that a full day be allowed for a debate on this urgent matter. However, I wish to make one further point with regard to the necessity of a debate on this subject some time before the house adjourns for Christmas. Various people at the conference, including the prime minister of the province of Quebec, made practical suggestions which could be put into legislative form before we adjourn. I refer, for example, to the removal of the sales tax, a matter which could be dealt with by parliament before Christmas if we were allowed to deal with it. This was a practical suggestion which was made at the conference, and I guarantee or I feel certain that all the opposition parties would be only too happy to put through legislation dealing with this urgent crisis as quickly as possible.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I should like to make one point with regard to the contribution by the hon. member for Medicine Hat.

Mr. Muir (Cape Breton North and Victoria): Contribution?

Mr. Chatterton: I said "contribution" with a certain accent. The hon. member indicated that the amount of time available for debate would be the same no matter what subject we might discuss. There is one important difference. There is no doubt that if we deal with this subject in the budget debate today no member on the government side will dare mention the subject of housing, whereas if the business is adjourned for the purpose of dealing with the subject of housing hon. members will have to restrict themselves to it.

Mr. Deputy Speaker: Order, please. First of all I should like to refer members of the house to citation 100 (8) of Beauchesne's fourth edition. The following is a ruling made by a former Speaker, part of which reads as follows:

"I do not think that, under the standing order of 1882, a motion on a subject of this kind, having such a very wide scope, was ever contemplated. What I think was contemplated, was an occurrence of some sudden emergency, either in home or in foreign affairs—"

Now I should like to refer to the motion moved by the hon. member for Danforth which contains the words "the continuing and growing housing crisis". One must conclude from these words that this is not a sudden emergency.

I must point out that one day remains in the budget debate during which, if hon. members so desire, they could discuss the housing problem. I should point out that I am not very impressed by the argument that there cannot be a long debate today, that not much time would be available to discuss the housing problem. Whatever the house decides to do today, there will be the same amount of time in either case. May I also point out that on an earlier occasion this year, on October 3, this question was discussed on a supply motion and was voted upon.

In view of these facts I believe the motion by the hon. member for Danforth cannot be accepted at this time.

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, would you be good enough to call notices of motions Nos. 21 and 33?

Motions for Papers

[*English*]

C.N.R. PASSENGER SERVICE IN NEWFOUNDLAND

Motion No. 21—**Mr. Schreyer:**

That an order of the house do issue for a return showing, with respect to C.N.R. passenger train service in Newfoundland:

1. The number of passengers carried for the years 1961, 1962, 1963, 1964, 1965 and 1966 by coach and first class.

2. The revenue from passenger traffic for the years noted in part 1.

3. The cost to the railway for operating the passenger trains for the years noted in part 1.

4. The average number of coach cars, parlour cars, dining cars and other cars used in passenger service per train for the years noted in part 1.

5. The number of S.D. & P.C. and other train passenger employees for the years noted in part 1.

6. The number of new cars and other equipment purchased for train passenger service for the years noted in part 1.

7. The number of employees that will be displaced, if the train passenger service is discontinued, and their total earnings for 1966?

8. The fastest time that a train proceeded from Port aux Basques to St. John's and the stations or sidings at which it stopped.

9. Prior to the public announcement on April 4, 1967, that a bus service would start by the C.N.R., were discussions held with any governments?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have been advised by the Canadian National Railways that there are no documents covering the nine points raised by the hon. member in his notice of motion for production of papers. I suggest that the hon. member withdraw his notice of motion, and I will give him the assurance that the railway will provide answers to the points raised in his notice of motion which could then be placed on the order paper in the form of a written question.

Mr. Deputy Speaker: In the absence of the hon. member for Springfield perhaps the motion should stand.

Mr. Hellyer: I understand that the hon. member agreed to withdraw his motion earlier in the day.

Mr. Stanley Knowles (Winnipeg North Centre): That is also my understanding, Mr. Speaker. On his behalf I agree to this notice of motion being withdrawn so that he may re-enter it as a question.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Dropped.

Order discharged and motion withdrawn.

Inquiries of the Ministry

REPORTS ON HARP PROJECT

Motion No. 33—**Mr. Harkness:**

That an order of the house do issue for a copy of reports which have been made to the government on the HARP project, and in particular those made by Dean Ruptash of Carleton University and by Mr. Brightwell of the Defence Research Board.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the hon. member for Calgary North asks for reports in relation to the HARP project, and in particular those made by Dean Ruptash of Carleton University and by Mr. Brightwell of the Defence Research Board. A special study in connection with the HARP project has been published by the science secretariat, known as the Chapman report, as well as the report from the Science Council of Canada. I would be glad to see that these are made available to the hon. member.

In respect of the two specific reports to which the hon. member makes reference, they are internal reports and contain items of military information classified as "security" by the military, and consequently are not publishable. If the hon. member is prepared to withdraw his motion I will see that he gets copies of the two reports which are publishable.

Mr. Harkness: I agree, Mr. Speaker.

Mr. Deputy Speaker: The motion is dropped.

Order discharged and motion withdrawn.

HOUSING

STEPS TO BE TAKEN FOLLOWING DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct my question to the Prime Minister and ask him whether he can indicate to the house when the government will move to set up the national advisory housing council, which he proposed to the housing conference on Monday.

Right Hon. L. B. Pearson (Prime Minister): There seemed to be a difference of opinion at the conference as to how this work of co-ordination and research could best be done, and we are pursuing the matter further with the provinces.

Mr. J. R. Keays (Gaspé): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the numerous requests which have been made in the past to reconvene the standing committee of the house on housing and urban development, and now that the dominion-provincial conference on housing has been held, would the Prime Minister please intercede with his cabinet colleagues to ensure that the committee is set up so we can get to the root of the problem?

Mr. Pearson: Mr. Speaker, I will have to take that question as notice; I am not sure whether I got the whole import of it.

Mr. Reid Scott (Danforth): Mr. Speaker, I have a supplementary question. In view of the developments at the recent conference, at which there was virtually no support from the premiers for the setting up of an advisory committee—about which we are all sorry, because it was a good idea—and in view of the previous statement of the Prime Minister that he had under consideration the setting up of a ministry of housing and urban affairs, can the Prime Minister tell us whether he will now reconsider this matter and make a statement to the house during this special debate to be held on December 22?

Mr. Pearson: Mr. Speaker, that is a question touching upon very important government policy that I cannot deal with on the orders of the day.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I wish to put a question to the right hon. Prime Minister, and I ask him to answer me clearly.

Will the expected housing shortage be caused by a lack of materials or by a lack of money? Could the Prime Minister answer that question clearly?

[*English*]

Mr. Pearson: Mr. Speaker, it is very difficult to be clear on such a speculative question.

[*Translation*]

Mr. Caouette: Mr. Speaker, may I ask a supplementary question?

Could the right hon. Prime Minister tell us whether the Bank of Canada would be able to finance the legitimate housing programs of the provinces?

[*English*]

Mr. Deputy Speaker: Order. I think this is a question that might be placed on the order paper.

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a point of order. I see that the right hon. Prime Minister has asked the Minister of Finance (Mr. Sharp) to answer the question and that the minister is rising to do so. He was delayed by the slow interpretation.

[*English*]

Mr. Deputy Speaker: Order. The Chair is still of the opinion that the question should be put on the order paper.

UNITED NATIONS

CANADIAN SUPPORT FOR GREATER USE OF FRENCH LANGUAGE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to direct my question to the Prime Minister and ask him whether the remarks reported to have been made in Paris by the Secretary of State for External Affairs in regard to Canada's encouragement of the extended use of the French language around the world is an indication that Canada will support the current move to increase the use of French in the United Nations when this move is voted on next Monday.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not sure of the details of the motion at the United Nations to which my hon. friend refers. As he knows, French is already one of the official languages of the United Nations and is also used at the United Nations as a working language. I should like to look at the text of the resolution before I say anything more about it.

VIET NAM—POSSIBLE EXPANSION OF ACTIVITIES OF CONTROL COMMISSION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. I was wondering whether he is now in a position to answer the question I put to him yesterday concerning the activities of the international control commission in Viet Nam.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as I indicated yesterday there is a proposal before the commission to enlarge its activities on the Cambodian border. There has been some controversy about the use of Cambodian territory by Viet Cong forces. We will be glad to see that done, and we are discussing the proposal with other members of the commission. I think this might well be done, because the Cambodian government itself has approved of this kind of action by the commission.

Hon. E. D. Fulton (Kamloops): A supplementary question, Mr. Speaker. Would the Prime Minister inform the house whether there is any relationship between the revived consideration reported in the United States with respect to the doctrine of hot pursuit across the border and the proposal for an enlarged role for the international control commission, and whether Canada would support this latter proposal as the only sensible and realistic alternative in protecting the borders rather than engaging in hot pursuit across them?

Mr. Pearson: Mr. Speaker, I have seen that report about the possibility of the United States government extending the international doctrine of hot pursuit which would permit the pursuit of an enemy beyond the borders of a country. I myself am confident that in view of what we have said to them in the past the United States government would be aware that Canada would have very grave reservations about any action that might result in the extension of the scope of the fighting in Viet Nam, and which by such extension would raise the possibility of direct involvement by other countries. If this doctrine of hot pursuit would be likely to have that result, we certainly would not support it.

Mr. Fulton: A further supplementary question, Mr. Speaker. Would the Prime Minister consider it appropriate, then, that Canada should actively pursue and support the proposal for an enlarged role for the international control commission along the borders to obviate the very danger to which the right hon. gentleman has referred?

Mr. Pearson: Mr. Speaker, I should like to think that any extension of the mandate of the commission would have that result. However, as my hon. friend knows, now that the demilitarized zone is the scene of heavy fighting, to put this commission into the zone would not seem to be very practical. Perhaps the situation will change before long, and then the commission could be used for that purpose.

Inquiries of the Ministry

RHODESIA—REPORT BY SECRETARIAT RESPECTING SANCTIONS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, my question is for the Prime Minister. Is the government studying the report of the United Nations secretariat regarding the effectiveness of the Rhodesian sanctions, and is the Canadian government planning to make any proposals to the United Nations security council to plug the loopholes and make the sanctions more effective?

Right Hon. L. B. Pearson (Prime Minister): Of course, Mr. Speaker, we are studying this report with great interest. It is an important report. We have been following the matter not only through the United Nations but as a result of our membership on the commonwealth sanctions committee in London. We are discussing this report in New York, and when the security council next directs attention to the Rhodesian problem, which I believe will be shortly, we will have the advantage of this report and will make our position known on this problem on the basis of this report.

Mr. Douglas: A supplementary question. May I ask the Prime Minister about Canada's increased purchases of tobacco and sugar from South Africa, and ask whether there is any indication that these commodities originate in Rhodesia but are being shipped to Canada under the guise of being South African exports?

Mr. Pearson: Mr. Speaker, I have already looked into that matter as the result of a question that was asked the other day. My information is that attempts to circumvent our ban on imports from Rhodesia, not only with regard to tobacco but also with regard to other goods, are brought to the attention of the government from time to time. All such reports have been thoroughly investigated to determine whether in fact a violation of our regulation has occurred. Previous reports of attempts to import Rhodesian tobacco have been investigated and have proven to be unfounded. If anyone possesses evidence of a violation of our regulation it would, I hope, be put at the disposal of the Canadian authorities at once so that appropriate action could be taken by the government.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Prime Minister and it relates to a social problem affecting Rhodesia. Has the government a plan to assist the working people of Rhodesia who have been or may be thrown out of employment by the continuation of sanctions?

Mr. Pearson: Mr. Speaker, I will be glad to send the hon. gentleman the report of the last prime ministers' conference at which we did agree to help the Rhodesian people, of whom four fifths are coloured, in the difficult times they are experiencing.

Mr. Churchill: Would that assistance be economic assistance in order that their standard of living might be maintained?

Mr. Pearson: It would certainly include that but it would also include, as an important factor, educational assistance to help prepare them for taking over their own country.

EXTERNAL AFFAIRS

GREECE—REQUEST FOR STATEMENT ON REPORTED CRISIS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Prime Minister. I wonder whether the Prime Minister has a statement for the house regarding the current crisis in Greece, and whether our own diplomatic personnel and other nationals who might be in that country are safe.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have received a very short telegram to the effect that a situation has developed in which the king of Greece is presumably trying to alter the nature of the existing Greek government. There have been more details over the radio and in the press than those received by us in our official telegram, but perhaps that is not unusual. We are asking for a full report, and we may get that report this afternoon. At the moment we have no official report on fighting or casualties resulting from these developments. I will be glad to make a further statement on this matter in the house tomorrow.

TRADE

PLUTONIUM—REPORTED SALES TO FRANCE AND JAPAN

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I would direct my question to the Minister of Trade and Commerce. In view of the announcement made yesterday

by the Secretary of State for External Affairs that Canada had agreed in principle to sell plutonium to France, would the minister advise the house whether this is part of the negotiations in regard to the sale of uranium to France, and whether France has now agreed to the limiting conditions that Canada had imposed upon the sale of uranium products to that and other countries?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I can answer that question to the extent that I have discussed this matter with the Minister of Trade and Commerce. This will be a separate negotiation from that which has been brought to the attention of the house in connection with uranium. It is this other negotiation, or possible negotiation, that the Secretary of State for External Affairs was discussing in Brussels. I am waiting for the full text of what he said, and until then I do not feel that I shall be in a position to report on it.

I can say at once, however, that the export of plutonium from Canada will be governed by the general considerations which are also applicable to the export of uranium and which were set forth in my statement to the house on June 3, 1965. The statement was that such exports would be permitted subject to an agreement with the government of the importing country to ensure, with appropriate verification and control, that the material would be used for peaceful purposes only.

Hon. D. S. Harkness (Calgary North): A supplementary question, Mr. Speaker. What are the international safeguards which the Secretary of State for External Affairs referred to when announcing that this sale would be made?

Mr. Pearson: They would be the United Nations safeguards which have been drawn up by the international atomic energy authority.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the Prime Minister whether the government of France has indicated its willingness to sign such an agreement which would restrict the uses of plutonium for peaceful purposes?

Mr. Pearson: The government of France knows, from the previous discussions we have had, that we can only make sales on the basis of the acceptance of that verification and control which I have indicated. They know that.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of what the Prime Minister said about the announcement of the sale of plutonium to France and also the recent announcement—I believe it was made yesterday—that this country will sell plutonium to Japan, will the government of Canada require Japan to adhere to the same regulations that France will be required to adhere to?

Mr. Pearson: Yes, Mr. Speaker. They are entirely the same.

AIR CANADA

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, my question is for the Minister of Transport. Would the minister consider delivering a Christmas present to all those interested in the future of the Air Canada base at Winnipeg by advising the house how far he has got in his quest for a president of Air Canada and when he expects to announce the appointment?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the choice of a president for Air Canada is a question for the board of directors of that company. The board has asked the present president to remain in office for a few months while the changes in corporate structure, if any, which might be necessary in order for the company to obtain financing on the market, are explored. I can assure my hon. friend that this does not mean that we shall not pursue with diligence our goal of establishing a basic, long range plan for Winnipeg in order to provide basic facilities there for maintaining aeroplanes.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I ask a supplementary question in connection with Air Canada. Will the Prime Minister assure the house that in so far as the government has any connection, direct or indirect, with the appointment of the new president of Air Canada, it will not make a Pickersgillian type of appointment from among those who are in the cabinet?

Mr. McCleave: I hope the minister himself is not appointed.

Right Hon. L. B. Pearson (Prime Minister): If we can get an appointment in this field of a man as skilful—

Inquiries of the Ministry

Mr. Bell (Saint John-Albert): "Skilful" is the right word.

Mr. Pearson: —as wise and as expert as Mr. Pickersgill is in the field of transportation, we shall be very lucky.

Some hon. Members: Oh, oh.

NATIONAL DEFENCE

NATO—REPORTED CREATION OF NORTH ATLANTIC NAVAL FORCE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. Are news reports correct when they allege that there was an agreement between our Minister of National Defence and the Secretary of State for External Affairs prior to the NATO meeting that Canada's position at the NATO conference would be that a North Atlantic treaty naval force should be set up, with Canada supplying a destroyer to that command; and that our armoured brigade would be changed to a light brigade, with four transport aircraft to be purchased from United States suppliers? Was the decision to adopt that position taken before the two ministers went to the NATO conference?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I am not at all sure that it has been decided at Brussels, either. I have not received any official confirmation of the report. Until I get an official report I do not wish to comment on the press report, but I would be very surprised indeed if any such decision was taken during the meeting.

NOVA SCOTIA

REQUEST FOR PROGRESS REPORT ON DISCUSSIONS RESPECTING STEEL PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Prime Minister. Is the right hon. gentleman in a position to advise us whether he has conferred with Premier Smith of Nova Scotia about the steel crisis at Sydney? Would he make known to the house the result of such deliberations and can he say what financial assistance will be available to the province from the central government with respect to the purchase of the plant as well as to make good any losses that may be incurred?

[Mr. Pearson.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we had a very interesting and useful talk this morning, as a result of which the premier of Nova Scotia will put in writing the report he gave to us about the negotiations that had been going on with the company, explain in writing the legislation that has been passed and its implications, and then make suggestions, on the basis of our discussion, as to how he thinks the federal government can assist most effectively in meeting his problems. Then we shall have a document before us from which we can decide what to do.

Mr. Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. Is the right hon. gentleman aware that the labour federations of the four Atlantic provinces, meeting in Moncton two days ago, discussed and dealt with the possibility and economic feasibility of the separation of the Atlantic region from the rest of Canada, as a result of federal governmental neglect?

Mr. Pearson: Mr. Speaker, while I hope that will not happen, I will say this. If the Atlantic regions ever decide to separate from the rest of Canada, which I do not wish and I am sure my hon. friend does not wish, we shall not be in a position to help them, as we are helping them.

Mr. Muir (Cape Breton North and Victoria): I fully accept the Prime Minister's statement about separation. But, will he get with it and get down to the business of helping Nova Scotia with regard to this problem?

Mr. Pearson: My hon. friend should look at the record of the last four years in regard to assistance in Nova Scotia. That assistance has been given by this government, to the point where more than half of the revenue of the government of Nova Scotia now comes from the federal source.

Some hon. Members: Oh, oh.

Mr. Starr: Is that why 20,000 people down there are marching in protest?

Mr. Pearson: I hope my figures are right.

RESEARCH

PROPOSED INTERNATIONAL DEVELOPMENT CENTRE

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I am sorry that the Prime Minister is carrying

such a heavy load today. I hope he will not mind if I move from Cape Breton to the world.

Some hon. Members: Oh, oh.

Mr. Fairweather: We must do that, Mr. Speaker, once in a while. Can the right hon. gentleman give the house a progress report on the proposed international development centre which is to be located in Ottawa and which, I understand, will be dedicated to fundamental research of how modern technology can help with man's economic and social problems?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. Before I try to answer that question I wish to assure my hon. friend that, on this side of the house, Cape Breton is a most important part of the world.

Some hon. Members: Hear, hear.

Mr. Pearson: I thank the hon. member for giving me the opportunity to say that. As to the point he has raised concerning the possible development of an international centre, we have been pursuing this possibility as one which would be important and useful for Canada in the international field. We have been discussing the subject with the United Nations, which has sent officials here to confer with our external aid people and others, and we have asked Professor A. F. W. Plumptre of Scarborough College to report to us on the desirability and advisability of this project so that we may have a document on which to consider and base our decision. I very much hope we shall be able to work out something in this field.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the statement made yesterday in Brussels by the Secretary of State for External Affairs to the effect that Canada's relations with France had never been better, is it the intention of the government to make similar approaches to other heads of state so that our international relations may be generally improved?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a question to the Minister of Trade and Commerce.

In view of the fact that the minister of tourism and industry of the province of Quebec refused to take part in the federal-provincial conference on tourism because all the documentation sent by the Department of Trade and Commerce in Ottawa was written in English only, could the minister say whether this is a result of the recommendations of the Laurendeau-Dunton commission on bilingualism?

[*English*]

Mr. Deputy Speaker: Order. I do not think this is a question which should be asked at this time.

HOUSING

POSSIBLE RESUMPTION OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Prime Minister this question. In view of the progress which was made at the housing conference between the federal and provincial governments, can the right hon. gentleman say whether there are any plans to resume the conference at an early date?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we did discuss at the conference the possibility that the ministers responsible for housing might meet again in about six months' time to discuss the progress which has been made. Perhaps the hon. gentleman would allow me to put on record the very important proposals for changes in legislation made by the government at this conference. It would take a long time—

Mr. Starr: The right hon. gentleman will get that opportunity on December 22.

Mr. Pearson: I will wait until then.

[*Translation*]

IMMIGRATION

MONTREAL, QUE.—SUICIDE OF PORTUGUESE NATIONAL

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I wished to put a question to the Minister of Manpower and Immigration but, in his absence, I shall address it to the Prime Minister. Could he inform the house of the circumstances of the suicide of a young Portuguese immigrant in a federal building in Montreal last week?

Inquiries of the Ministry

[*English*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know anything about this, but I shall be glad to make inquiries.

[*Translation*]

Mr. Régimbal: Mr. Speaker, I would like to ask a supplementary question.

Would the Prime Minister indicate, at the same time, whether that is not the third such incident in Montreal within two years, and whether similar incidents have occurred in Canada during the same period, always in relation to the department of immigration?

[*English*]

Mr. Pearson: I will be glad to look into that aspect.

[*Translation*]

Mr. Régimbal: Mr. Speaker, another supplementary question. As human lives are involved, may we hope to have a reply this week?

[*English*]

Mr. Pearson: Yes. If the hon. member had given me notice of his question this morning he might have had a reply this afternoon.

Some hon. Members: Hear, hear.

WATER RESOURCES

BRITISH COLUMBIA—PROPOSED DIVERSION FROM SHUSWAP LAKE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. I know he is interested in this subject because in one sense we both have water on the brain. Has the minister or any of his officials had discussions or correspondence with any member of the British Columbia government or its officials with respect to proposals for the diversion of water from Shuswap lake, which normally flows into the Thompson river system, into Okanagan lake?

Mr. Deputy Speaker: Order. I think this question should be placed on the order paper.

NATIONAL CAPITAL

DISCUSSIONS RESPECTING ESTABLISHMENT OF FEDERAL DISTRICT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question for the Prime Minister. Several days ago the right hon. gentleman issued a statement concerning the possible establishment of a national capital area and announcing that a joint study by officials of the federal government and those of the two provinces of Ontario and Quebec would be instituted to examine this matter. Would the Prime Minister consider extending participation in this study by including officials representative of all Canadian provinces?

Mr. Deputy Speaker: Order. I am sure the Prime Minister has heard the representation made by the hon. member.

TRADE

TOBACCO—INCREASE IN IMPORTS FROM SOUTH AFRICA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Minister of National Revenue whether it is the intention of the government to take appropriate steps to place a fair value for duty purposes on tobacco which is now unexpectedly pouring into Canada from South Africa, or perhaps from Rhodesia, in order to protect Canadian growers. This tobacco is coming in duty free at the present time.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, I will have to look into this matter. I know of no allegation that there have been breaches of the Canadian anti-dumping law; none have been brought to my attention. Should breaches be alleged I can assure the hon. member that we shall take every step necessary to ensure that our anti-dumping laws are enforced.

THE CANADIAN ECONOMY

MEETINGS OF ORGANIZATIONS OF EMPLOYERS AND EMPLOYEES

On the orders of the day:

Mr. Harold Winch (Vancouver East): Mr. Speaker, I should like to direct a most important question to the Minister of Labour. Has any progress been made in giving practical application to the hon. gentleman's oft-expressed opinion that employers and employee organizations should get together to discuss the state of the economy for the purpose of arriving at policies mutually agreed upon in the interests of the country?

Hon. J. R. Nicholson (Minister of Labour): Yes, Mr. Speaker, there has been an

encouraging response to my suggestions. The Department of Labour is arranging a series of meetings with leaders in the industries which come under federal jurisdiction. We are now engaged in a series of meetings with representatives of the railway industry and we intend to move into other fields before we call a general conference.

Mr. Winch: Are the employers' organizations being invited to these meetings or to the other meetings which are proposed?

Mr. Nicholson: Yes, there has already been one meeting with the representatives of the employer organizations and I believe another is being held later this week.

TRANSPORT

INTRODUCTION OF MEASURES RELATING TO MARITIMES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I know the Prime Minister has left the chamber but perhaps this question could be answered tomorrow. Is it the intention of the government in the next session to bring in measures relating to maritime transportation?

PRINCE EDWARD ISLAND CAUSEWAY—REVIEW OF PLANS

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to ask the Minister of Public Works whether he has anything to add to the statement by the Prime Minister in a press release issued this morning with regard to the Northumberland strait crossing and specifically whether he can give some indication of when he expects the review now being conducted by Colonel Churchill to be completed?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, as to the first part of the question, I can only say that the statement is an excellent one and there is nothing I could usefully add to it. I regret I cannot give any precise date for the completion of the review by Colonel Churchill, but I can say it is going on very well now and that we have every reason to be optimistic about it.

POST OFFICE DEPARTMENT

LIBAU, MAN.—PROTEST ON TRANSFER OF POSTMASTERSHIP

On the orders of the day:

Mr. Eric Stefanson (Selkirk): Mr. Speaker, I have a question for the Postmaster General but in his absence perhaps the Acting Postmaster General would take it as notice and answer tomorrow. In view of the events depicted on C.B.C. television last night, showing the residents of Libau, Manitoba, vigorously opposing the government's decision to transfer the post office there, will the Postmaster General now reconsider his decision and leave the post office in its former location, which obviously is the expressed wish of the local residents?

Hon. Jean Chrétien (Member of the Administration): I shall take this question as notice, Mr. Speaker.

Mr. Deputy Speaker: Order. The time allotted for today's question period has expired.

BUDGETARY PROPOSALS

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, December 12, consideration of the motion of Hon. Mitchell Sharp (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I sought an opportunity to speak in this debate because of a serious and important issue which I wish to discuss. It is my intention to stay with the subject that prompted me to take part in this debate. However, before I get into that question may I say that we in this party regret that the government was not willing to have a debate today on the important question of housing. We are glad that the government is prepared to find a day fairly soon to discuss this matter, but we think a debate ought to have taken place today.

The government may not realize it, but the working press who covered the housing conference and the people of Canada who have read about it, heard it on the radio and seen it on television know it was a colossal failure. The very fact that it wound up in two days instead of the scheduled three days is evidence—

Mr. Nicholson: On a question of privilege, Mr. Speaker—

Mr. Knowles: I have only 30 minutes, Mr. Speaker.

Mr. Nicholson: When the hon. gentleman says the conference concluded at the end of two days instead of three, has he taken into consideration that it sat on Monday evening and for two extra hours late yesterday afternoon and evening, thus giving the full time that had been anticipated?

Mr. Knowles: The conference was still concluded in two days, and I suggest the reason it did not continue was that the premiers of the various provinces were finding it not worth their while to stay.

Basically the reason the conference failed is that the federal government is not prepared to measure up to its responsibilities in the field of housing. For the federal government to suggest to the conference that its financial contribution to housing in Canada in the next fiscal year is to be $300 million less than it has been this year is hardly the way to make the conference a success. I hope the government will yet realize the importance of this issue and the nature of the role it must play in this important problem.

Hon. members will not be surprised if I indicate that the subject to which I wish to devote most of my remarks this afternoon is the announcement by the President of the Treasury Board (Mr. Benson) on Thursday, December 7, that it is not the intention of the government to go ahead with the provision of increases in the pensions of retired civil servants. May I say at the outset that when I look over the list of cuts that the President of the Treasury Board announced in his speech last Thursday night, I am impressed with the fact that a good many of them relate to matters that the government did not want to go ahead with anyway. I have a gnawing suspicion that this is the case with respect to increased pensions for retired civil servants.

Let me indicate a few examples which support my contention that many of the cuts simply represent not going ahead with something the government was against doing anyway. For example, it is proposed to cut out the selling of government annuities. No suggestion was made as to how much this is going to save, but it was put forward under the excuse of its being an economy measure. Those of us who have been around here for any length of time know that for many years the insurance companies of this country have been lobbying against the federal government being in the annuity business. The last time the federal government sought to improve the Government Annuities Act was in the year 1951. I remember the occasion very well. We had a government bill which was given second reading and referred to one of the standing committees of the house. It provided for certain improvements to be made in the Government Annuities Act, but the insurance people came here in force. Although we finally got the bill passed by that standing committe, when it came back to the house the government let it die on the order paper. It is obviously because of its desire to stop pushing the sale of government annuities that the government has dropped the selling of these annuities.

Then I notice that the government has disbanded the special planning secretariat in the Privy Council office. This special planning secretariat was in effect the high command of the war on poverty. How much real interest has the government shown in the war on poverty? This is one area where the government is pacifist, one area where it is prepared not to go to war. It has not shown any real interest in this supposed effort, and so under the excuse of economy the special planning secretariat has been dissolved.

I should like to join with my colleague the hon. member for Waterloo South (Mr. Saltsman), in saying a word with respect to the cut that has been handed to the Company of Young Canadians. I know the many criticisms that are made about this organization and the people in it, but the fact of the matter is that these are young people who belong to a generation that maybe some members of this house cannot understand, but they are young people who are concerned about social conditions.

We had a few witnesses before us yesterday in one of the standing committees of the house, including two or three people who had worked with the Company of Young Canadians. I think all of us who were at that committee were impressed with how much knowledge they had of a certain social problem, a knowledge much in advance of that of many of the conventional agencies. Somehow or other the government does not like what the Company of Young Canadians is doing and so, under the excuse of economy, a cut is made in its budget. Incidentally, it is my understanding that the director of the Company of Young Canadians heard only on the television news that a cut was being made in the budget of that organization.

I still do not know where we stand with respect to the Prince Edward Island causeway. One day it is off; another day it is on. I suspect that the government is still uneasy over the fact that it promised it during the

last election. The promise did not result in the Liberals winning very many seats in Prince Edward Island and obviously they would like to get out of this project or postpone it. I suggest again, Mr. Speaker, that economy is being used as an excuse when there are really other motives.

I mention just these three or four examples. I could cite others but I do not want to take time away from the subject with which I am mainly concerned today. I merely mention these as situations parallel to the situation with respect to pensions for retired civil servants.

I am convinced that there are voices in the federal cabinet which have never wanted to agree to increased pensions for retired civil servants. I am personally convinced that one of those voices is that of the Minister of Finance (Mr. Sharp), and that the so-called drive for economy is now being used simply as an excuse for not going ahead with this proposition which was unanimously recommended on May 8 by a special joint committee of both houses of parliament.

Seldom have a group of people been misled so extensively as have the retired civil servants of the federal government. For many years they have been asked to wait for one thing or another before their plight would be considered. At one time they were told to wait until the Canada Pension Plan was put through.

• (4:00 p.m.)

When our Canada Pension Plan committee was in session representatives of the retired civil servants were permitted to appear before that committee to argue their case. They were told, however, that nothing could be done for them under that legislation and that they should wait until it was through. They were told that their situation would be dealt with separately. Also, when old age pensions were being discussed they were told they should wait until that legislation was completed and then their case would be looked into.

A couple of years ago when matters relating to the civil service generally were being discussed they were told that when the coast was clear an opportunity would be made for their whole problem to be discussed by a special joint committee of parliament. That joint committee was given their problem as a term of reference in January, 1967. It held extensive meetings during the early months of this year and made a unanimous report to parliament on May 8. It recommended without any qualification that there should be immediate increases in the pensions of retired civil servants.

In our report, when using the phrase "retired civil servants" we made it clear that this should include retired armed forces personnel and retired Royal Canadian Mounted Police personnel as well. Our report also included widows and orphans in all cases. It added up to a comprehensive statement by that committee that this is a problem which parliament should deal with.

Hon. members will remember the atmosphere which prevailed in respect of this matter in May, June and early July. Some of us were on our feet every week in an effort to get the government to act at that time. The type of answers we were given led us to believe that action would be taken before we recessed for the summer. Certain ministers on the other side including the Prime Minister (Mr. Pearson), cannot deny the assurance they gave me that action would be taken in the month of June. When on July 7 this house was faced with an adjournment some of us opposed that adjournment without action being taken on this question. We lost, but even so we were led to believe then that action would be taken in the fall. We came back on September 25 and the issue has been raised in one way or another by one member or another two or three times a week since then.

We were told repeatedly that the matter was still under consideration, but finally on December 7 the President of the Treasury Board told us a decision had been made not to proceed with these increases. I suggest that this was a cruel way to mislead these people. Their hopes were built up, they were given a feeling of confidence that something would be done, and then they were told that nothing would be done for them either now or during the fiscal year 1968-69. Despite the finality with which the President of the Treasury Board spoke on December 7 and despite the fact that the Prime Minister expressed a hope that this matter could be reconsidered some time which sounded like delaying it for five or ten years, I still appeal to the government to act on this issue during this session of parliament.

Some hon. Members: Hear, hear.

Mr. Knowles: I should like to make some specific suggestions concerning what can be done. First, however, may I remind hon.

members on both sides of the house that there are about 36,000 retired civil servants and about 16,000 widows of retired civil servants who are on pension. If you add to these two figures the retired members of the R.C.M.P. and the retired members of the armed forces and then add their widows, you arrive at a total of about 58,000 federal superannuates of various kinds and a total of about 18,000 widows of the various federal superannuates. If hon. members are interested, I might point out that answers to questions of mine have been placed on *Hansard* of November 22, November 29, December 4 and December 11 which give the numbers of these people living in the various provinces and the number receiving pensions in the various categories. Rather than confuse members with a whole host of statistics may I say that most of these people—I am referring to the retired civil servants rather than the widows—are on pensions of less than $200 a month. The average for the widows is much lower.

There was a time when a $200 pension sounded like something one could live on, but I should like to say to the members of this house that the heart-rending letters I get come not only from people whose pensions are down in the $30, $40 or $50 a month bracket but also from people who have served this country and this government for many years and who retired a few years ago on a pension of $150 to $175 a month. These people have seen living costs rise so many times in the decade since they retired that they are now living in virtual poverty.

I submit that the federal government of this country as an employer has a responsibility to these people. What can it do to discharge that responsibility? Let me say that you will never convince these people, no matter how many arguments you advance on the basis of figures, that they are not entitled to increases in pension on the basis of the money they paid in and which is in the superannuation fund. When you tell them that the money is not there, that it is only so many figures on a book and that these figures are there to protect future retirees you do not solve the problem for them.

These people know that on the books of the superannuation fund at the present time there is an amount approaching $3 billion. They know also that the interest paid on that fund each year is greater than the amount that is paid out each year in pensions. They know the fund is growing by leaps and bounds. They do not understand why they cannot be paid out of that fund. Roughly speaking, what is happening at the present time is that each fiscal year about $100 million is being paid into the fund by employees who are working and paying their percentage. About $100 million is put in by the government to match the employees' contributions. Something approaching $100 million is put in by the government as interest on the fund that is there. I say "put in"; the employees put the money in because they do not get it in their pay cheques, but apparently it gets used right away. So there is a total of about $300 million a year credited to the superannuation account while the amount being paid out in pensions to the people who are now retired is only $75 million to $80 million a year.

How can any member of this house explain to these people that they cannot have their money in the form of a pension because there must be some kind of an economy drive? I do not accept the reasons for the cut or the budget or the economic plans this government has, but even if these plans are to be gone ahead with by this government one cannot explain to these people why, since the money is there, they should not receive increased pensions. If the members of the government feel that they must not touch the money now being credited—that is what they say—because it is put there for future retirees or, on the other hand, if they say that the money really is not there, what confidence does that give present employees for their time of retirement

Let me remind the government of what I thought was a very useful suggestion made by the Professional Institute of the Public Service of Canada last session relating to the rate of interest the government pays on this money. The rate of interest which this government pays—mind you, it is only so many figures in a book—is 4 per cent. That is a pretty cheap rate of interest to pay on money today. The suggestion has been made that the government might consider paying 5 per cent on that money. I wonder whether hon. members realize that if that were done, if an additional one per cent were paid on the money in the fund, this would produce an extra $25 million or $30 million a year. That would be sufficient to increase the pension of every retired civil servant, every widow of a retired civil servant, and the others I have mentioned, the armed forces and R.C.M.P. personnel, by about one third of their present

pension. To put it round figures, this would mean an average pension increase to every superannuate of about $60 to $65 per month. Hon. members can do this figuring for themselves if they read the figures which appear in the various issues of *Hansard* to which I have referred, and if they will look at the figures in the estimates and elsewhere.

• (4:10 p.m.)

All the government has to do today is admit that interest rates have gone up everywhere. Interest rates on housing and bank loans have gone up to 8 per cent or more. This government should be fair and credit these people with 5 per cent interest on their own money in the fund which would provide a sufficient amount to make it possible for the government to increase the pensions of all our retired civil servants, members of the armed forces, members of the R.C.M.P and their widows by an average of one-third of the pensions they now receive. In dollars and cents terms this would amount to $60 or $65 per month for every pensioner. I am not suggesting that it should be a flat one third across the board increase because I am aware of the fact that certain adjustments should be made, but I give this figure to indicate what would be possible if the government followed the suggestion made by the Professional Institute of the Public Service of Canada, supported by the Public Service Alliance of Canada, to our committee.

There is no use in the Minister of Finance (Mr. Sharp) trying to tell these people that this is a matter involving a cash position versus figures on the books, and so on. These people had money deducted from their pay cheques which they did not get. The same is true of civil servants working today. A deduction of 5 per cent or 6½ per cent is being made from their pay cheques. They do not get that money. Where does it go? Does it go into a fund out of which pensions are paid? No, this money becomes figures in the books. The government is spending this money and it should pay interest on it.

These civil servants are assured that the reason they will receive pensions when they retire is that the government is there behind them. If they have to count on the government being behind them 10, 20 or 30 years from now the way the government is behind retired civil servants today in respect of their pensions this will not make for a very happy situation. That is no doubt the reason that Mr. Trevor Gough of the Public Service Alliance of Canada wrote such a strong letter to the Prime Minister a day or two after the President of the Treasury Board (Mr. Benson) announced the decision of the government not to go ahead with this matter.

There is no question in my mind that there is a need. These people clearly have a right to an increase, and even though the President of the Treasury Board stood up in this house and said the government did not commit itself in black and white that it would raise pensions by a certain date, it did commit itself that it would deal with this matter on the basis of the report to parliament by the special joint committee of both houses.

We hear a great deal these days about what could be done to improve parliament by strengthening the committee system. If this is an example of how the government is going to strengthen committees it should not bother. The committee to which I referred was chaired by Senator Bourget and the hon. member for Ottawa East (Mr. Richard). This committee held hearings for a considerable period of time over more than a year. It dealt with many matters involving the civil service. It went into these things exhaustively. The committee was made up of members of all parties in both houses and represented all points of view, social, economic and otherwise; yet it came up with a unanimous recommendation that these pensions should be increased. For the government not to follow this recommendation is an insult to the committee and to the committee system, and certainly it is an offence to those people who are affected by this whole situation.

I see that my time is running out and I will have to say in a very few minutes what I wanted to say to put this special problem in the context of a larger problem that is very much with us and will be with us in increasing terms as time passes. People sometimes ask me about other pensioners and whether they should not also receive an increase in their pensions. The answer is a resounding yes. That goes for railway workers and all our pensioners. The day has to come and come soon when the principle is recognized that people who retire should not be compelled to live for the rest of their lives on a fixed pension.

Let me put it this way. There are people retiring in 1967 at younger ages, at 60 and so on, who no doubt have a chance of being alive in the year 2000. Some ten years from now there will be many people retiring who

will have a good chance of living until the year 2000. Does anyone in this place imagine that people in the year 2000, will be able to live under the conditions we will have then on pensions fixed in the years 1967, 1970 or 1975? We must reach the point where there is built into any pension scheme arrangements for pensions to escalate as time passes. This situation is true for all other sections of society. No one expects workers, farmers, businessmen or people in ordinary jobs to spend all their working lives, from the time they are 21 until they are 65, on a fixed income. It is the nature of things for costs to go up and living standards to improve. People are entitled to meet these higher costs and share in these higher standards of living. Where is there any common sense in the suggestion that when you reach 60 or 65 years of age and retire this process must stop? Pensions have to be subject to escalation.

The government can tell us it recognizes this principle, and it has in respect of old age security and the Canada Pension Plan, but this has been a very meagre recognition. Everybody knows what will happen in respect of old age security in January. It is to increase by $1.50. That is a recognition, but it is pretty meagre. It is not good enough to do just that. I suggest we must do this across the board and on a scale to keep up with rising costs and rising standards of living.

I am satisfied in my own mind that the reason the governmment does not want to grant this increase in pensions to its own employees is that it is afraid business will then say it has been put on the spot and must do the same thing. That is the trouble with this government. It never leads and never faces up to problems which require leadership.

It is not good enough to wait until 1980, 1990 or 2000 to discover that our whole pensions structure has fallen apart because we did not make provision for pensions to escalate. The time for leadership in this regard is now, and I suggest the place for the government to begin is in respect of its own employees. That is why I take as strong a stand as I do in support of retired civil servants and other retired employees of the federal government, of the Canadian National Railways, and so on. They have a right of their own and they have their own needs. The government has an obligation to them as an employer and also because of the need to establish a principle that must be carried through the whole of our economy.

[Mr. Knowles.]

Let me return to the position I took at the beginning of my remarks. The government has committed a cruel hoax on these people by giving them the hope that something was going to be done. It is time for the government to undo the harm and offence it has done to these people. It is time to stop the policy of discouraging them. The government must act in respect of this question.

There are broad policies that can be worked out in the next few years with regard to pension increases across the board and they must be worked out. But there is no excuse whatsoever for the announcement of last Thursday night contained in paragraph 13 of the list of cut-backs by the President of the Treasury Board. This money is available and I call upon the government to implement the recommendation of the special joint committee on the public service of Canada during this session. I call upon the government to increase the pensions of our retired civil servants, former members of the armed forces and the R.C.M.P., their widows and all our federal superannuates. The time for this action, Mr. Speaker, is now.

Mr. McLean (Charlotte): Would the hon. member permit a question?

The Acting Speaker (Mr. Rinfret): The hon. member for Charlotte wishes to ask a question.

• (4:20 p.m.)

[*Translation*]

Mr. Latulippe: On a point of order, Mr. Speaker.

[*English*]

Mr. McLean (Charlotte): I believe the hon. member when he says that we have this increase of 3 per cent more or less going on every year, and it is inflationary—

[*Translation*]

Mr. Latulippe: On a point of order—

[*English*]

The Acting Speaker (Mr. Rinfret): Order. May I ask the hon. member to put his question.

Mr. McLean (Charlotte): I will ask the question in a minute. In 1934 the price of gold was $35 an ounce, and we expect our miners to go on mining gold to be sold at the same price today. The hon. member said there should be an increase in the price of gold because in 1934 it was mined and sold for $35 an ounce and today the price is the

same. In my opinion this is really at the bottom of everything. Would the hon. member agree that an increase in the price of gold is necessary? Gold and its control under the International Monetary Fund are at the bottom of everything. Everything is based on the price of gold. Would the hon. member agree that in the interests of our miners the price of gold should be increased and should not be the same now as it was in 1934?

Mr. Knowles: The miners are getting much better wages today than they were in 1934. This is mainly due to their unions. So as far as the question itself is concerned, I think we should get farther away from gold as a standard rather than back to it.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Is the hon. member for Compton-Frontenac rising on a point of order?

Mr. Latulippe: Yes, Mr. Speaker. I am calling your attention to the fact—

[*English*]

Mr. Otto: On a point of order—

The Acting Speaker (Mr. Rinfret): Will the hon. member resume his seat.

[*Translation*]

Mr. Latulippe: Mr. Speaker, we claim we have been treated somewhat differently from the others or unjustly. We also had suggestions to make or solutions to offer on the present budget, but we were not given the opportunity to do so. In fact, only one member of the Ralliement Créditiste took part in the discussion.

The Acting Speaker (Mr. Rinfret): Order, please. I thank the hon. member for Compton-Frontenac for his remarks concerning the list of speakers who are to participate in the discussion, and I regret that his speech on the budget was interrupted by the vote on the amendment. In view of the fact that only a few minutes remain before the vote on the main motion, I must recognize the hon. member for York East (Mr. Otto).

[*English*]

Mr. Steven Otto (York East): Mr. Speaker, it seems that I have a few minutes in which to speak at the end of this debate. I shall try to summarize the issues. First, I think it should be made very plain that the issue is not as stated by hon. gentlemen on the other side, namely, that the government has got itself into a financial morass because of political pressures. The fact is that the government at all times has tried to resist the political pressures that have been applied by hon. gentlemen opposite. Time after time we have had votes of confidence because hon. gentlemen opposite wanted more money to be spent and the government was forced into the position of resisting increases in spending. So that is not the issue.

The issue comes about to a great extent because of the report of the Carter commission. I agree wholeheartedly with the minister when he says that the Carter report cannot be adopted in toto. I also believe the minister when he says that the government will introduce very serious reforms in respect of fiscal policy. I believe they are needed. I shall try to explain my position with regard to the Carter report and why I think it cannot be adopted.

The Carter report is, of course, a very fine document. Surprisingly, the commission was chaired by a member of the establishment who will probably lose his membership in the National Club, the York Club, and so on, because of the report. Although vast changes are envisaged in the report and it contains many suggested reforms, in one way it is just as hidebound, just as restrictive, as our present fiscal policies.

For example, it is said of the Carter report that when faced with hard choices between equity and economic expansion the commissioners consistently gave the greatest weight to the objective of equity. This means they are taking the very ancient viewpoint of taxation, namely, that taxation is merely a burden to be shared, in other words, that we should share the poverty. The modern concept of taxation is not merely to share the burdens of the cost of government but it also has a great deal to do with our economic destiny, industrial expansion, area industrialization, balance of trade and efficiency of production. All these things have a great bearing on the question and are indeed controlled by the tax incentives given to industry.

The most important part of taxation today is that which affects industrial expansion, employment, or what we might call the destiny of industrial expansion. Second is equity. If equity is the first principle, as the Carter commission said, it cannot apply today because if this were the case the whole ARDA program would be out, the whole industrial incentive program would be out.

Obviously it is not fair to give a farmer in one area a tax advantage and not give it to another, as the Carter commission report suggests in respect of horizontal equity.

The commission says that the prime objective of taxation policy is equity, but that cannot apply today. Therefore it cannot apply as far as the government is concerned. There is another principle that we must examine very carefully. The commission would tax the command of goods and services and not the consumption of goods and services. But I wonder whether it is desirable today to tax the command or control of goods and services. If those goods and services are used for industrial expansion, would we not be penalizing those who have this command at the expense of industrial expansion?

I believe we should at all times tax the consumption of goods and services, and possibly the command of goods and services where that command is not of benefit to the nation. But where the command of goods and services is beneficial to the country through providing additional employment and industrial growth, to impose a tax strictly because of a very hidebound principle such as the Carter report seems to contain is wrong, and this principle cannot be applied today.

• (4:30 p.m.)

I have no particular quarrel, and I think very few businessmen in Canada have, with a tax on capital gains and a tax on inheritances. But all these things must be pliable. I believe this is the essence of what the minister is trying to get at when he says that reforms will be made. If they are made, I believe we have to be very flexible in these areas. A capital gains tax on land—I shall refer to this matter later—would be beneficial today. But to impose a capital gains tax on the return of risk capital may not be the thing to do. What we need today is a flexible policy whereby a capital gains tax need not be imposed on all capital gains. Indeed, the same applies to inheritance and corporation taxes.

I heartily endorse the recommendation of the Carter commission that corporations should be taxed once, whether the money is in the hands of the corporations or in the hands of the shareholders. But I think we all agree that this must not be an inflexible rule because in some cases it would be advantageous to tax the profits of the corporation and not those of the shareholders and in other cases the reverse would apply. In other words, if the corporation reinvests its money and expands its industrial potential it is obviously of advantage to the nation not to tax the corporation but rather the shareholders. On the other hand, if this principle is applied inflexibly, as is suggested by the Carter commission, we will find that people will demand shares in companies which always pay good dividends, regardless of their reserve for expansion and growth. So what we want is flexibility.

I agree with the views of the Carter commission with regard to expense accounts, not necessarily because their recommmendation is fair but because I believe that expense accounts do not make good, efficient producers. High living at the expense of corporations must not continue if we expect employees in the lower echelons and workmen to work efficiently. An esprit de corps must exist in industry because it increases efficiency. For this reason I am definitely opposed to expense account living. I believe that it ruins efficient production and therefore I agree with the recommendation of the Carter commission with regard to this subject.

Now I should like to say a word or two with regard to the demand for homes, land development, etc. There is no necessity to repeat that there is a housing crisis in Canada today, because we all know it. It has also been said that there is no money to deal with this problem properly. I suggest we do not need money. The first thing we need is the guts to make changes. Of course, money is required to some extent, but what we really need now is a decision to change the circumstances which make houses very expensive.

Let me put it this way. I can safely say to anyone, and I can back it up with figures, that construction costs today are less than they were 15 years ago when one considers what one gets in material, handling, premanufacture, etc. The construction industry has been very efficient and has kept up to date. This leaves one cause for the crisis in homes—land. The price of land has increased enormously. In 1951 I paid $1,200 for a lot. Now I am paying $16,000 for a smaller lot in the city of Toronto. Historically the price of land has always gone up because it is a hedge against inflation. There is no sense in buying diamonds if you want to ensure that the value of your money will remain the same. What you should do is buy land, and there is tremendous pressure exercised by people who want to buy land strictly as a

hedge against inflation. This applies to insurance companies, pension plans, and all people who wish to ensure that 15 or 20 years from now their money will have the same value in proportion to the price of goods. This is a historical fact.

How must we combat this problem? First of all, we must recognize its existence. At this point may I suggest—and I hope the Minister of Finance is listening—that some form of accelerated bonds might be put on the market, the value of which would rise with the cost of living. This would be another hedge against inflation and would remove the pressure on land. I know this is a radical suggestion but it is now being considered by a well known United States insurance company which is studying the possibility of paying insurance benefits in real money because it recognizes the tremendous pressure on land.

One cannot make more land, but the demand for it increases steadily. As the Minister of Transport (Mr. Hellyer) said, cities can be further expanded by the addition of suburbs which would have to be made accessible to and from the centre in no more than 20 to 23 minutes or half an hour at the most. A new form of transportation must be introduced, namely, rapid transit systems. This will make suburbs attractive.

There is another point which could be considered by the Minister of Finance and the Minister of National Revenue. People who own land are granted all sorts of exemptions from income tax. We give them exemptions for real estate taxes. Land owners and speculators receive all kinds of advantages. No one but speculators would take issue with the minister if he were to say he is going to impose a capital gains tax on land speculators or on anyone who sells land because, as everyone knows, these people cannot lose money on their transactions. Since no risk is involved, why are these people given an exemption in respect of capital gains?

The municipalities in turn foster higher land prices by allowing land to remain stagnant and by giving tax concessions on vacant land. Indeed, back in the 1940's the city of Winnipeg applied a very good principle whereby land purchased from the city was allowed to be taxed as vacant land in the first year and thereafter was taxed as if a building were on it. As a result there was no land speculation because it was not worth while. In 1946 I bought land in Winnipeg for $1.65 per foot of frontage. Today it is worth $3 or $4, and it is in the suburbs.

I think the Habitat scheme should be modified to allow people to own their homes. Obviously they would not want to live in the middle of a cube structure. This will have to be modified. N.H.A. mortgage insurance for homes should be reduced from $18,000 to $12,000.

Mr. Nicholson: That is a good suggestion.

• (4:40 p.m.)

Mr. Otto: Essentially this is a provincial matter and only partially under the jurisdiction of the federal government. We must have the guts to say: We will take over the area, zone it and build on it or have someone build on it; if the township or municipality will not take it over, we will make it our own municipality. Essentially municipal politicians are agents of the established people. It is the home owners who elect the municipal politicians to represent them. These politicians do not care about people without homes. They are our headache. We will never get the municipalities to speed up the pace of development. Someone else must do it. I suggest that the province could establish a principle in this regard to the effect that as long as a subdivider or land developer abides by these regulations there will be no trouble. I had to go to 37 meetings before I could get a piece of land subdivided. This involved a lapse of time of about four and a half years. There is no hope that the waiting period will be reduced because these people resist changes of that sort.

With regard to finding more money, I suggest to the minister that a great deal of money that could be used for N.H.A. financing is now being used for short-term investment. This money goes into the banks for 90 or 180 days and billions of dollars are used by the finance companies in this way. By breaking down national housing mortgages into small units this money could be lent for short-term investment purposes and as a result over a long-term period we could derive about $2.5 billion.

Another point is this, Mr. Speaker. In my own case, if my creditors, especially my suppliers and labourers, could be assured that having built my house they would still get their money I am sure many of them would provide credit for the building of homes. I suggest that C.M.H.C. should insure not only mortgages but also creditors to an amount equal to the value of the home. For example, tradesmen and suppliers could be given a certificate for the equivalent amount of the work or materials supplied which

would guarantee payment. When the home was sold these certificates would be redeemed. The creditors would all be paid, and I would suggest that as a result more houses would be built.

There is a shortage of money, of course, and people are becoming less and less inclined to lend money for mortgage purposes. They would rather buy equity stocks. Conventional sources of mortgage money will be more and more hesitant to lend. Changes are required, but we must have the guts to make them.

A word about the Carter report in conclusion, Mr. Speaker. The Carter report is a very inflexible document. I believe that the minister is going to introduce reforms which will give it flexibility and will impose a capital gains tax in some instances and not in others. In this way fiscal policy can be brought to bear on industrial expansion rather than merely equity investments.

Mr. Deputy Speaker: Order. It being 4.45 p.m. it is my duty, pursuant to section 6 of standing order 58, to interrupt these proceedings and forthwith put the question on the main motion. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Main motion (Mr. Sharp) agreed to.

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

The Chairman: Order. House in committee of ways and means on a certain proposed resolution to amend the Excise Tax Act. The text of this proposed resolution is appended to the notice paper of *Votes and Proceedings* of Thursday, June 1, 1967.

EXCISE TAX ACT

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide among other things:

1. That effective June 2, 1967, all goods listed in Schedule V to the said Act be exempt from sales tax.

2. That effective September 1, 1967, any material, substance, mixture, compound or preparation, of whatever composition or in whatever form, including materials for use exclusively in the manufacture thereof, sold or represented for use in the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state, or the symptoms thereof, in humans or animals, or for restoring, correcting or modifying organic functions in humans or animals be exempt from sales tax but that this exemption shall not apply to cosmetics or confectionery products.

[Mr. Otto.]

3. That effective June 2, 1967, goods enumerated in tariff item 48100-1, namely "specially constructed boot or appliance made to order for a person having a crippled or deformed foot or ankle", and in tariff item 48105-1, namely "individual pairs of boots or shoes for defective or abnormal feet, when purchased on the written order of a registered medical practitioner", and articles and materials for use exclusively in the manufacture thereof be exempt from sales tax.

4. That effective June 2, 1967, artificial breathing apparatuses purchased or leased on the written order of a registered medical practitioner by an individual afflicted by a respiratory disorder for his own use be exempt from sales tax.

5. That effective June 2, 1967, plans, drawings, related specifications and substitutes therefor, and reproductions of the foregoing sold to or imported by manufacturers or producers for use by them directly in the manufacture or production of goods be exempt from sales tax.

6. That where materials for use exclusively in the construction of residences for students have been purchased by or on behalf of a company wholly-owned and controlled by Her Majesty in right of a province and established for the sole purpose of providing residences for students of universities or other similar educational institutions, the Minister of National Revenue may, upon application by the company made in such form as the minister prescribes within two years from the time of the purchase of the materials, pay to the company an amount equal to the tax imposed by Part VI of the said act that has been paid in respect thereof.

The Chairman: Shall the resolution carry?

Mr. Knowles: Is the minister going to make a statement? He is itching to, I am sure.

Mr. Sharp: Mr. Chairman, the first paragraph of the Excise Tax Act resolution, "that effective June 2, 1967, all goods listed in schedule V to the said act be exempt from sales tax", of course proposes that the date of full exemption of sales tax on a comprehensive list of production machinery and equipment described in schedule V of the Excise Tax Act be advanced from April 1, 1968, as originally proposed, to June 2, 1967.

This move forward in the date of full sales tax exemption for production machinery and equipment is motivated by a desire to reduce Canadian production costs. It was stated in the spring budget speech of 1966 that it was not intended that the taxation of these goods should remain as a permanent feature of the federal tax structure. However, fiscal policy considerations in 1966 called for some restraint on investment and therefore it was not advisable to give immediate and full relief for production machinery and equipment at that time. Instead it was announced that the goods concerned would be made

exempt from sales tax in stages over a two-year period. When this matter was reviewed before the presentation of the main budget this year the government decided that the need to reduce costs of production and to encourage Canadians to acquire modern machinery so that they could more effectively compete with manufacturers in other countries outweighed all other considerations. Therefore full exemption was proposed on June 2, 1967.

Mr. Lambert: Mr. Chairman, during the budget debate in the fall all of these matters were extensively covered so far as the resolutions were concerned. I do not think it would lead to any greater clarity if I were to speak to them at length.

All I should like to say is that with regard to the removal of the sales tax on drugs I trust the drug manufacturers and distributors have acted responsibly vis-à-vis the request of the government. In this connection I do not think that anyone in the committee quarrels with the objectives of the government. In essence we are hoping that the drug manufacturers and distributors will pass on to the consumer, who is a very hard hit individual today, every possible benefit from this tax reduction. That is all I want to say in that connection.

So far as the other matters are concerned, Mr. Chairman, the sales tax on production machinery should, of course, never have been imposed. This we know. It was a terrible mistake and is one of the legacies of those notorious 100 days of decision that the present administration inflicted on the country.

Mr. Cowan: It was 60 days.

Mr. Lambert: Yes, 60 days. I thank the hon. member for York-Humber for reminding me of that bit of history.

Mr. Knowles: We could not have stood 100 days.

Mr. Lambert: As the hon. member for Winnipeg North Centre says, Mr. Chairman, it is a good thing it was not 100 days; I do not think the country could have stood it. Sixty days was bad enough. However, the present Minister of Finance has seen the error of the ways of his administration and is gradually undoing some of the harm.

We will be seeing the bill and the technical provisions relating to the implementation of this resolution, and I will reserve any minor comments I may have until that time.

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Mr. Sharp: May I add, Mr. Chairman, that I have only dealt with the first paragraph. The hon. member has dealt with the second paragraph which deals with the exemption with regard to drugs. Then there appear some miscellaneous items under paragraphs 3, 4, 5 and 6. I will be glad to answer questions about them, but I do not think it is necessary for me to make any general statement.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Resolution agreed to.

• (4:50 p.m.)

The Chairman: The house in committee of ways and means on a certain proposed resolution to amend the Income Tax Act. The text of this proposed resolution is appended to the notice paper of *Votes and Proceedings* of Thursday, November 30, 1967.

Mr. Sharp: Mr. Chairman, I wonder whether it might not be more in accordance with the desire of hon. members if we were to take the excise tax changes announced on November 30 instead of dealing with income tax immediately. I suggest that we take the remainder of the excise tax resolutions.

Some hon. Members: Agreed.

The Chairman: Order, please. House in committee of ways and means on a certain proposed resolution to amend the Excise Tax Act. The text of this resolution is appended to the notice paper of *Votes and Proceedings* of Thursday, November 30, 1967.

EXCISE TAX ACT

That it is expedient to introduce a measure to amend the Excise Tax Act to provide among other things:

1. That effective December 1, 1967, the excise tax on each five cigarettes or fraction of five cigarettes contained in any package be increased from two and one-half cents to three cents.

2. That effective December 1, 1967, the excise tax on each pound of manufactured tobacco, including snuff but not including cigars and cigarettes, be increased from eighty cents per pound to ninety cents per pound.

3. That effective December 1, 1967, the excise tax on cigars be increased from fifteen per cent to seventeen and a half per cent.

4. That effective December 1, 1967, an excise tax of

(a) two and one-half cents per gallon on wines of all kinds containing not more than seven per cent of absolute alcohol by volume, and

(b) five cents per gallon on wines of all kinds containing more than seven per cent of absolute alcohol by volume,

be imposed in addition to any other excise tax imposed by the said Act payable at the time of sale by the Canadian manufacturer and at the time of importation or withdrawal from bonded warehouse by the importer or transferee who takes imported wines out of bond for consumption.

The Chairman: Shall the resolution carry?

Mr. Lambert: No, Mr. Chairman. I expect that the minister wants to make a statement.

Mr. Sharp: Mr. Chairman, paragraph 1 of the resolution proposes that effective December 1, 1967, the rate of special excise tax on cigarettes be increased by half a cent per five cigarettes. At present cigarettes bear an excise tax of 2.5 cents per five cigarettes or $5 per thousand under the Excise Tax Act and an excise duty of $4 per thousand for cigarettes weighing not less than three pounds per thousand under the Excise Tax Act. In addition, they are subject to the general sales tax.

It is proposed that only the excise tax levied under the Excise Tax Act be increased. The proposed change amounts to an increase of approximately 10 per cent in over-all cigarette taxation. The rate increase will affect both Canadian produced and imported cigarettes because the taxes levied by the Excise Tax Act apply to imports as well as to goods produced in Canada. The additional revenue from the proposed change would approximate $50 million in a full year at 1968 levels of sales. The additional revenue expected over the remainder of the current fiscal year is estimated to be of the order of $12 million.

The rates of the special taxes on cigarettes have not changed since 1959. It is considered fair that cigarette smokers should be called upon to meet a greater share of the increase in the costs of government services which has taken place since 1959.

Mr. Lambert: Mr. Chairman, since there is a great division of opinion among members of the public about whether tobacco is a necessity or luxury, with some damning tobacco roundly and others praising it just as vehemently, it has become the custom of governments to consider that tobacco and its related items under this resolution are fair game for tax impositions. This has become almost a game of tweedledee and tweedledum with the provinces, the game being who shall impose what increases and when shall they be imposed. Frankly, I am surprised that the federal government has been so patient all this time and has not increased the tax on tobacco and commodities related to it under this resolution but has left the field open to the provinces.

With regard to tobacco there is one difficulty. No matter how much the tax is increased the demand remains inflexible. There may be minor modifications or abatements in demand as tobacco prices increase but these last for about a month only. Then it seems that the volume of consumption returns to its former level and even goes up.

It is said that increased demand for tobacco results from our increased population. In this day and age it seems that the younger you are, the harder you smoke. Smokers these days begin to smoke at younger ages than formerly. The tax on tobacco is spread right across the population. As one sees youngsters going to school these days one wonders whether they arrive at school smoking. That sort of thing I deplore. Nevertheless, we must bear in mind that you can tax this type of commodity to the point where smuggling becomes attractive.

After the war, as many of us remember, a heavy special tax was imposed on cigarettes and tobacco in Canada. The result was that smuggling cigarettes into Canada from the United States and abroad became attractive. Smuggling was a very lucrative and dangerous business but the bottom was knocked out of that nefarious activity when the tax was removed. There are limits to the taxation of tobacco. Under ordinary circumstances, if the minister must obtain extra revenue from tobacco, and there is some question about that, though I smoke not cigarettes but a pipe and cigars I am quite prepared to accept my responsibilities in that regard, as I think all hon. members are.

An hon. Member: Are you willing to pay for it?

Mr. Winch: May I direct a question to the Minister of Finance, Mr. Chairman. I am not boasting but I happen to be a cigarette chain-smoker. The minister has increased the cost of my cigarettes by 10 per cent. When he explains the reasons for this tax increase will he be kind enough to explain something else?

The other day on orders of the day the hon. member for New Westminster received a reply to a question he had asked. In the answer that was given we discovered that the Department of National Health and Welfare, if my memory is correct, has spent about $126,000 across Canada on publicity to discourage cigarette smoking and the use of tobacco generally because such activities

[The Chairman.]

bring with them the danger of cancer. On the other hand, the Department of Agriculture spent $450,000 on research to develop and improve tobacco that is grown in Ontario.

Mr. Roxburgh: Hear, hear.

Mr. Winch: I see that I am being applauded. The Department of Agriculture spent, as I said, approximately $450,000 during 1966 on research to improve tobacco that is grown in Ontario. At the same time the Department of National Health and Welfare spent $126,000 on publicity in order to tell the people of Canada not to smoke. Would the minister please explain the reasons for this apparent paradox?

An hon. Member: Half a million dollars lost.

Mr. Sharp: At least it can be said, Mr. Chairman, that through tobacco users we are raising money for the purpose of discouraging the use of tobacco. I understand that some provinces raise very large sums of money from the sale of alcohol in order to spread the virtues of prohibition.

• (5:00 p.m.)

Mr. Winch: The minister has not understood my point at all. Will he please tell me, as Minister of Finance interested in saving the taxpayers' dollars, why one department spends $126,000 in publicity telling people not to smoke while another spends $450,000 to increase tobacco production? Come now, what is the hon. gentleman's answer?

An hon. Member: Five o'clock.

The Chairman: Shall the resolution carry?

Mr. Lambert: No. There is something I want to say with regard to spirits.

Mr. Roxburgh: On a point of order, I want to say something on the subject of tobacco before we go on to anything else.

Mr. Chairman: Order. I would point out to the committee that the resolution called was the resolution on the excise tax which deals with spirits. The one which follows is the resolution on the Excise Tax Act which deals with tobacco.

Mr. Monteith: No, Mr. Chairman, you called the Excise Tax Act resolution.

An hon. Member: It is five o'clock, anyway.

Resolution reported and concurred in.

27053—340½

Suggested External Aid Program

EXTERNAL AFFAIRS

AID PROGRAM—SUGGESTED INCLUSION OF FAMILY PLANNING ASSISTANCE TO DEVELOPING COUNTRIES

Mr. R. W. Prittie (Burnaby-Richmond) moved:

That, in the opinion of this house, the government should give consideration to including in its external aid program, family planning assistance to developing countries requesting such assistance, and that the government of Canada should take a more active role at the United Nations and its specialized agencies in supporting measures dealing with world population problems.

He said: Mr. Speaker, it is tempting in considering the whole subject of external aid in a debate of this type to begin by discussing whether or not we are doing enough. A recommendation was made a few years ago at the first United Nations conference on trade and development that the developed countries should give 1 per cent of their gross national product toward external aid. We have not reached that target yet. However, time is limited and I shall attempt to keep to the subject of the motion.

Many of us are not satisfied with the total effort Canada is making in the field of external aid. However, it can still be said that this country is doing a great deal. We give food to countries which need it, capital in the form of money and equipment, and we are sending skilled manpower to help operate installations built in the developing countries. In addition we have given a considerable amount of aid to education. The government has done a good deal in this direction and there are many private agencies which have a good record in the field of external aid.

However, there seems to be one blind spot in relation to the question of population which is one of the most important problems facing the developing countries. A year ago a declaration on population was drawn up and presented to heads of government through the United Nations. This declaration was returned to the Secretary General of the United Nations two days ago in New York. I asked the Prime Minister (Mr. Pearson) whether he had been invited to sign it because I noted he had not done so.

I should like to make it clear that I am not one of those who oversimplify this problem. I am not one of those who say that if the developing countries would only do something about birth control and family planning all their problems would be solved. I realize it is not as simple as that. Many things have to be done if we are to minimize

the suffering from famine which I think will surely come in the years ahead. We need to increase the production of food in this country for export to places where it is needed. We must help the developing countries to increase their own production and to develop both primary and secondary industries. And we must maintain our aid to education. I am, however, suggesting that the question of population is a most important one and that it should be considered by the Canadian government in its external aid program.

Many experts have predicted that whatever is done there will be very serious famine in the world within the next ten years. In recent years there has been famine in India particularly, but from now on famine is likely too occur in many parts of the world in spite of the best efforts we make. I am suggesting we could do certain things to reduce the effect of the famine which hundreds of millions will be facing.

I should like to quote briefly from a speech made on November 24, 1966 by Mr. Herbert H. Lank, chairman of the board of Dupont of Canada Limited, in an address to members of the Society of Chemical Industry, which has since been reprinted in a booklet called "Production And Reproduction, The Great Imbalance." Speaking of the famine threatening the world, Mr. Lank had this to say;

• (5:10 p.m.)

Famine will probably reach serious proportions in India, Pakistan and mainland China in the next three years. Indonesia, Iran, Turkey, Egypt, Brazil and a number of other countries are only a few years behind this timetable. Tens of thousands of children who will die of starvation within the next decade have not yet been conceived.

Complete anarchy could occur if hunger gets the upper hand in three-quarters of the world. We can hardly expect to escape the repercussions of such a catastrophe.

Storm signals are already flying. There were food riots in India again this year. In some parts of Africa there have been six consecutive years of drought. Fortunately, Australian production of cereals and animal foodstuffs will be better this year than last. But drought and flood in China will reduce this year's grain crops to the lowest in five years.

He was speaking of last year. Whenever we get into this subject I think it is necessary to quote figures which show the population growth in the world. I know hon. members may have heard them before but the figures are quite staggering and illustrate the extent of the problem. Today there are three billion plus people living in the world. In 1900, at the beginning of this century, there were two billion people. In 1800, 100 years earlier, there were one billion people living in the world. It had taken all of the time before that to reach that figure.

There are various estimates as to what the population of the world will be at the end of this century. A few conservative estimates put it at something less than six billion, or about double the present population, and there are other estimates which put the figure much higher at somewhere around seven billion.

I have just been reading the minutes of the external relations committee of the Senate, volume No. 1, for Thursday, December 7. Mr. Maurice Strong, director of external aid, was the witness, and in reply to a question about the population of the world he said:

By the year 2000 the population could rise to more than seven billion; even with a 30 per cent decrease in fertility the figure would be six billion.

The chairman then asked him what is the present population and he replied:

About 3.3 billion, which would be a little less than doubled at the six billion figure.

But, in terms of food production, this means that even to maintain the present inadequate nutritional levels in the less developed world, we will have to double the world's present food production by the end of the century. This involves matching in the next 33 years everything we have been able to achieve in food production since the beginning of time.

Even if many countries of the world adopt methods to try to control the size of families, the population of the world will approximately double by the end of the century, and that really is not a very long time away. However, the earth will not be any bigger. It will still be the same size as it was when we went to school and learned the facts and figures about the size of the earth, how many square miles of land it contains, how many square miles of ocean, and how much of the land is productive. The earth may become more productive. We may get more yield per acre in many parts of the world, but I suggest it will not be that much more productive. In fact in recent years the increase in population has been 2 per cent a year for the world as a whole and the increase in food production has been about 1 per cent a year. We cannot win at that rate.

When famine comes, and it is almost a certainty in the next 10 to 20 years in different parts of the world, we in Canada probably will not suffer. We will have enough to eat but other people will not. It is altogether unlikely that the food supply can be

increased rapidly enough to feed the increased population.

I have heard of various schemes to produce food from the ocean. I have heard of various plans to produce wonder foods on land, to produce synthetic food from chemicals. These things may happen some time but we should not count on them. We must count on the fact that food production in the world will continue to increase at a much slower rate than the people of the world will continue to increase.

There are many factors which block rapid increase in food production. Some of them are historical and cultural. It is hard to get people in underdeveloped lands to change their ways. It requires a long educational process to achieve that. It is possible that there will be more intensive use of fertilizers and the building of more plants to make fertilizers, but I suggest these things will not happen in time to prevent a very great shortage of food in the years ahead.

We can count on the fact that for the remainder of the twentieth century the production of people will greatly outstrip the production of food. Some countries have recognized the problem of the very great increase in world population and have realized that something must be done about it. Some of the developing countries have recognized the problem but others have not. For various religious and cultural reasons some countries will not face up to the problem, but others are ready to accept the idea that something should be done. India and Pakistan are two countries where there are no religious barriers to family planning.

Some of the developed countries which supply aid to underdeveloped countries have taken steps to meet the problem. The United States is one of them. This is something which I have followed with a great deal of interest. I first became aware of the subject when I was a parliamentary observer at the United Nations in 1962. At that time one of the committees I was attending, the second committee, was debating this subject. That year, for the first time, the United States government changed its position. Prior to that time, whenever there was a vote on population matters the United States had taken the same position as Canada had and which I believe Canada still takes. They both abstained. But that year, on orders from President Kennedy, the United States delegation cast a vote in favour of a resolution which called for the United Nations to take action in this field. Since that time the United States has gone a great deal farther.

An hon. Member: Why do you suppose Canada abstains?

Mr. Prittie: My colleague wonders why Canada abstains. I shall come to that later. Perhaps the parliamentary secretary to the Secretary of State for External Affairs (Mr. Macdonald) may have something to say about that. However, the United States did change its position starting in 1962 under President Kennedy, and under President Johnson it has gone still farther. It contributes to the United Nations agencies which are trying to do something about family planning and population control. In fact the United States includes this kind of aid in its own bilateral aid arrangements with various countries of Asia, Africa and Latin America. Other countries have also recognized the problem. The United Kingdom gives this sort of aid. So do Sweden, Denmark and Japan. This list may not be complete.

The whole purpose of my resolution today is to suggest that the Canadian government should recognize this very important fact. I want to suggest one way in which the Canadian government can do so. It may not wish to get into the field directly itself. I think it should but if it will not there is another way. There is a private world-wide body called the International Planned Parenthood Organization. It carries out educational programs in various countries, but may I say at once only in those countries whose governments are willing to accept this kind of help. It is not trying to force anything on anyone. This organization obtains funds from several governments. For example, this year it is getting $3 million from the United States, £50,000 from the United Kingdom, $400,000 from Sweden, and from little Denmark $25,000. I know that officials of this organization have approached the Canadian government and have made a request for funds so that it may give assistance in this field. I suggest that this is one way in which the Canadian government can help if there is still unwillingness on its part to get into the field itself.

I know that according to the Criminal Code of Canada the dissemination of information on birth control is against the law. Over the past several years we have debated this subject a number of times in the house. The health and welfare committee has reported on it. The government has introduced a bill which is now in the Senate and

in due course will be coming to this house. I would think that this prohibition in the Criminal Code will be removed within the next few months.

• (5:20 p.m.)

I suggest, however, that this is no bar. No one else in Canada is paying any attention to the law. Indeed, government departments over the years have prepared contraceptive materials. I suggest that in drawing up the external aid program for next year the Canadian government should change its policy. I suggest that it earmark certain funds to be made available to countries which wish aid in family planning. If the government is not willing to do this directly I suggest that it consider giving some money to agencies which are willing to do so.

In conclusion, Mr. Speaker, I should like to point out the importance of this problem in very real terms. Let us take a country like India where there are hundreds and thousands of starving people. I am sure all of us have seen pictures of cities such as Bombay and Calcutta which show wretched-looking people lying on the street with their ribs prominently exposed and also beggars in the street. These people do not have enough to eat. If Indian families can be persuaded to have two children instead of three, or five children instead of six or seven, then the problem could be alleviated to that extent. India and Pakistan are quite willing to accept this kind of aid from Canada, from the United States, from the United Nations or from any source which is willing to give such help.

Finally I should like to say that I do not wish to oversimplify the question of external aid. This is just one aspect of it. Increased food production by the farmers of Canada is very important. Increased food production by the people of the developing countries is very important. But let us not ignore this very important aspect of the whole problem of world population and how to feed people. Feeding the people is not the only problem faced by these countries. They do have to find food, but a rapidly increasing population means that somehow or other they also have to find schools, housing and all the public facilities which are necessary. They simply cannot cope with the problem they have today. They deserve some help from us in this particular field.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I should like to respond to the hon. member under three particular headings. First I should like to deal with the philosophical background of the problem of carrying out a particular policy in which there may be a contest among the principal religious groups in this country. Second, I should like to place on the record, for the benefit of the hon. member and the house generally, the actual approach which Canada has taken in international discussions. From this it will be seen that his generalities perhaps are a little out of date. Third, I should like to make some mention of the recent international discussions which have taken place in this field and make more particular reference to the international programs which are currently in existence with regard to population control.

First, therefore, the philosophical aspect of the problem, which the hon. member has acknowledged, is not removed from the controversy which has taken place principally among people of different religious convictions in this country concerning the propriety or otherwise of section 150(2)(c) of the Criminal Code. As a Protestant and a long-standing advocate of the amendment of this section I certainly would have no personal difficulty in seeing the government of Canada respond to a request for technical assistance and aid in dealing with the major international problem of population control. But as an elected representative, and one having some association with the government, I should like to suggest that not only this government but any Canadian government would have to take into account the difference of opinion which at the moment at least exists between the two principal religious groups in this country. I recognize the responsibility of taking into account the religious convictions of a very substantial minority of Canadians, a very large number of Canadians, whose religious views differ from mine.

In the face of our internal Canadian policy on this question, I believe the arguments for altering our law within Canada are unanswerable and I am glad the government has taken the initiative by introducing a bill in the Senate. As the hon. member knows, most of the Protestant churches are in favour of family planning not only in a permissive manner but in certain circumstances in an imperative manner. It is therefore contrary to the fundamental concept of our society that conduct which a very large religious group regards as proper should be declared

to be criminal. Those who do not share that religious belief are not under any imperative to practice family planning. But for those who do believe in family planning there should be that freedom of choice without running into jeopardy in the face of the criminal law.

I think it is only fair, however, to relate the argument put forward by persons of other religious faith that in dealing with foreign policy on this question the exact reverse of the logic applies with regard to Canadian participation in international aid projects. With regard to the amendment to the Criminal Code to abolish section 150(2)(c), those of us who are abolitionists could quite legitimately say that it should be a matter of our personal choice as to what we do and that that choice in no way binds others. The argument which has been turned on us by those who oppose family planning assistance in the international context is that their funds, taken from them by the general tax system, are being used to further practices which, on religious grounds, they abhor. They say that the freedom of action which I claim for myself would not be reciprocated if they must, like it or not, see their taxes go for family planning at the international level. The logic of that argument compels recognition even though I do not share the premise upon which it is founded.

I am cognizant of the very intensive consideration which this question of family planning, and particularly the question of the world population explosion, is now receiving within the highest councils of the Roman Catholic Church. I am cognizant of the fact that many leaders of that church both in Canada and abroad have expressed support for a change in the church's doctrine. I am hopeful that an effective accommodation between that doctrine and the awesome reality of the world population explosion can be achieved. I also hope for a definitive conclusion in the near future of the re-examination of traditional Catholic doctrine on this question. I think the hon. member would be the first to agree that it is better to make a change by persuasion, particularly a change on the basis of religious faith, rather than attempt to do it irrespective of belief.

Principles which have governed the government of Canada in the field of external aid with regard to family planning are several. I should like to take the opportunity to set them out for the benefit of the house.

Suggested External Aid Program

Mr. Brewin: Mr. Speaker, before the hon. member deals with this aspect of his speech would he like to answer a question?

Mr. Macdonald (Rosedale): By all means.

Mr. Brewin: Does the hon. member not feel that it is quite impossible to deal with the problem of world poverty by increased production and programs of external aid until the world successfully grapples with the question of population control or the population explosion which the hon. member's resolution has brought before the house?

Mr. Macdonald (Rosedale): I think it is an indisputable fact that the question of economic development alone cannot be solved without some resolution of the world population problem. It is because of the very awesome nature of this problem that the policies I am about to set out have been followed by the government. As I have said, surely any government of this country should take into account the religious convictions, which at the moment happen to be opposed, of two very large religious groups and should arrive at a policy which we would hope at least would offend neither.

• (5:30 p.m.)

The first principle that should apply in this field is that the initiative for action should come from the governments of the developing countries. Indeed, one could say in general terms that this is the thrust of all international aid programs. The initiative and requests for aid should come from developing countries, particularly where population pressures present the gravest problems for the economic development and well-being of their societies. It is quite reasonable for developed countries, the United Nations organizations and others, to look for a decision by the developing countries in respect of a request for this kind of assistance, and then carry out aid programs in co-operation with the countries in order to deal with population problems.

The second foundation of our Canadian view on this matter is that the United Nations, particularly through agencies included under its own budget such as the United Nations development program and UNICEF, and specialized agencies such as UNESCO, FAO and the world health organization, are particularly well placed to respond in an effective manner to requests for information and other assistance on the question of population problems from developing

countries. It is in this respect that we have been prepared to support the United Nations' endeavours in this regard.

In respect of our bilateral program I should like to say that the bilateral program, contrary to what the hon. member for Burnaby-Richmond (Mr. Prittie) suggested, is not one in respect of which Canada has received a request from any developing country for assistance. This is the practice followed in this field throughout the world. Canada has not received any requests for bilateral assistance from any developing country. The hon. member mentioned India and Pakistan. No such request has been forthcoming. It has been the view of Canadian authorities that we would be in a position to respond to requests for help in certain specialized fields which are central to the problem of population control, such as demographic and sociological studies.

I should like to refer in this regard to the report of the fourteenth session of the population commission which is United Nations document W/CN.9/219 published in October, 1967. It gives the results of a study and a description of the problems of family planning, and at page 9, paragraph 17, the following is stated:

> The growing importance of population trends as a factor in development calls for a more systematic and detailed study of all factors influencing population growth, its structural changes and the consequences arising therefrom. Nuclei of staff with demographic and related types of background and training are only just beginning to emerge in the developing countries, however; the lack of professional staff in these fields is being increasingly felt. Requirements for professionally trained persons grow constantly, whereas training itself is a slow process.

It is this kind of thing to which the government of Canada is prepared to respond. The report continues at page 11 to emphasize the importance of demographic studies in an approach to this particular problem. In respect of bilateral assistance I think it is fair to note that except for Sweden no bilateral assistance was forthcoming in this field until approximately 1964 or 1965. Since that time three Scandinavian countries, the United States and the United Kingdom have been providing assistance.

The hon. member referred to his experience at the United Nations during the 1962 general assembly. I do not argue with the position that he took, but I should like to point out that the position of the government of Canada in respect of this international council has changed. More particularly it was changed during the 1965 summer meeting of the economic and social council of the United Nations. That was the first year that Canada was represented on that council in its current term. This is a three-year term and it expires at the end of this month.

The question of population control was brought before the economic and social council as a result of the delivery of the report of the thirteenth session of the population commission which has made an extensive study of the problem. At that time the economic and social council adopted, with the positive support of Canada—not just an abstention but an active vote—a resolution with regard to assistance by the United Nations and its specialized agencies to help resolve this problem in respect of population control. This is economic and social council resolution 1084 dated July 30, 1965.

Let me refer to some of the provisions of this resolution to indicate the endorsement given by the economic and social council to these endeavours by United Nations agencies with the positive support of Canada. The resolution endorsed the recommendation in a resolution of the thirteenth session on the long range program of work in the fields of population, including its recommendation with regard to the increase and improvement of demographic statistics, the strengthening of regional demographic training and research centres, and other activities to increase the supply of technically trained personnel in the developing countries, expansion and intensification of research and technical work, widening of the scope and increase of the amount of technical assistance in population fields.

The resolution also called to the attention of the general assembly the need to provide, within the framework of decisions taken to balance the budgets of the United Nations, funds for the United Nations to carry out the intensified and expanded program of activities in the fields of population, recommended by the population commission. It also recommended consultation with other specialized agencies of the United Nations as to the co-ordinated program which might be followed in the population field. One of the particular impacts of that resolution was the authorization of further action by the United Nations development program, a program to which Canada in recent years has provided financial support. It has provided over $10

million this year. This is a program undertaken by the U.N.D.P. to assist those countries which request assistance in respect of population control.

The resolution of the economic and social council, which was passed with Canadian support, was further supported by a resolution passed by the twenty first general assembly and the second committee, on which I had the honour to be representing the government of Canada. This is dated December 29, 1966 and is general assembly resolution 2211. I think several aspects of that resolution are of value because they indicate the approach the United Nations has taken to this question of international assistance to family planning.

The general assembly resolution recognized the need for further study of the growth structure and demographic distribution of population to economic and social development, including national health, nutrition, technical and social welfare programs to be carried out at all levels of government activity. It also recognized the sovereignty of nations in formulating their own population policies with due regard to the principle that the size of a family should be according to the free choice of each individual family. The members of the house will note that this also recognizes the sovereignty of individual countries to make their own decisions. The resolution also notes with satisfaction the success of efforts by the world health organization, the economic and social council and other United Nations entities in promoting assistance in family planning.

I think I can say with some justice to the hon. member and to the house that the position of 1962 has been reversed and that in respect of international multilateral institutions the government of Canada has been prepared to support resolutions in favour of family planning and population control and is prepared to continue to provide funds to these institutions in order that they may carry out their functions, including these programs.

• (5:40 p.m.)

Initiatives which have been taken by the U.N.D.P. have also been matched in the World Health Organization to which Canada is a contributor and has given its support, in the Food and Agricultural Organization to which Canada is also a contributor, and in the UNICEF program in which Canadians have played a particularly prominent part. I would not like to mention UNICEF without referring to the leadership given to that organization by the deputy minister of National Health and Welfare, Dr. Joseph Willard, who has been chairman of the executive committee of UNICEF for the past two years, and particularly to our late colleague the hon. member for Winnipeg South, Mrs. Margaret Konantz, who played such an active part in the role of UNICEF in this country.

Canadians have been active in the international institutions in dealing with this important problem of population control. The Canadian government, by its formal votes both in ECOSOC and in the general assembly, has given support to the proposals put forward and has seen that funds made available to these multilateral agencies have been applied in carrying out these United Nations resolutions.

In the circumstances, Mr. Speaker, I think it can legitimately be said that it has been a useful occupation of the hon. member to bring this important question before the house. I think he would agree that his rather pessimistic assessment of the role of the government of Canada in this field has not been justified and we have been active in the international field in supporting these measures.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am glad to support the notice of motion presented by the hon. member for Burnaby-Richmond (Mr. Prittie).

I am pleased to see that this motion is intended to help foreign countries, because many requests for assistance are presented by various underdeveloped countries.

The resolution reads as follows:

That, in the opinion of this house, the government should give consideration to including units external aid program, family planning assistance to developing countries requesting such assistance, and that the government of Canada should take a more active role at the United Nations and its specialized agencies in supporting measures dealing with world population problems.

So, Mr. Speaker, it is obvious that many needs have to be met in the world. It is also obvious that different countries are facing numerous economic difficulties, but we must not forget that we have our own economic

problems. We are supposed to help various foreign countries in need of our assistance, and we have different ways of doing so.

The New Democratic party says that planning is necessary to find a way to help these countries.

Mr. Speaker, I think that plans were made a long time ago. I had the honour of visiting the United Nations and I learned of the great needs of each of those countries. The economic upheaval resulting from wars, the lack of understanding and various economic factors have created great and urgent needs in these stricken countries.

The situation is not one of economics as a result of production. In fact, on my visit to the United Nations, I asked the representatives of several countries who were requesting the assistance of more prosperous countries what they wanted. I asked them: Do you want products or other things? I was answered: Products are not difficult to find; the problem is finding money to purchase the products.

So it is always a money problem. There are always, in the end, various problems that cannot be solved except by money. That is why we are always speaking of money wherever we go, even at the United Nations, where the main problem is to find the money required to give the necessary aid to these countries. There are only two methods whereby a government or a country like Canada can find funds to aid foreign countries.

First, by increasing taxes even more or by borrowing money through financial institutions. When money is borrowed from these, the taxpayers are left with an unpayable debt which will nevertheless have to be paid later on and, as a result, the citizens will have to be taxed to reimburse these loans.

Mr. Speaker, in this century of technology and progress, when immense resources are unexploited on the face of the globe, it is a scandal that millions of people should feel cold and hungry. This mere fact irrevocably condemns our civilizations. Proudly materialistic, they have the duty to satisfy at least the material needs of the people. They have not done so. There are no doubt privileged nations in this regard, such as ours, but their comfort and welfare are only an insult to the distress of others. This situation cannot go on.

Mr. Speaker, it is obvious that Canada is able to help those emerging countries more than at present, but we are prevented from doing so due to our very difficult economic situation. First of all, by doing so, we deprive our own people who are so needy. No Canadian is afraid that the land will stop producing, that cows will no longer give milk to produce butter and help the people of various countries.

• (5:50 p.m.)

Mr. Speaker, if the land cannot produce abundantly or if we cannot help other countries more, this brings about results which I impute to our financial economic system which keeps the land from producing.

At the present time, in my riding, nearly 70 per cent of the farms have been abandoned for about fifteen years. Men refuse to cultivate a land which is rich, which does not refuse to produce. It is not cultivated because we do not have the means to do so, because we do not have what is necessary, in our economy, to make that land produce more.

Since our system is thus designed, the system which we advocate will maintain all the political rights of men and will also proclaim the bill of his economic rights. Economic security will strengthen the politics of the Canadian people and of various countries.

Mr. Speaker, we believe that our present system of "finance-debt", under which practically all the money is circulated in the form of debts bearing interest is detrimental to the welfare of humanity, finds no justification in the nature of things, and perpetuates a false motion concerning the function of money in the human society.

We believe that the potential monopoly in our banking system is contrary to reason and justice. When a bank grants a loan, it gives cash value to the credit of which the client is deemed worthy. That service is necessary, but when the bank extends it and gives the client the value of his credit—like a bank debt, a debt increased by 6, 7, 8, 9 and 10 per cent—there seems to be an anomaly in the practice which should be looked into.

The true basis of credit is found in the assets of the nation and individuals, of qualified workers—

The Acting Speaker (Mr. Rinfret): Order. I am sorry to interrupt the hon. member, but I feel he is straying somewhat from the subject now under study, that is, the advisability of helping foreign countries with regard to family planning. The hon. member for Compton-Frontenac is constructing a monetary

theory which is doubtless interesting but which may not, in this instance, help foreign countries.

Mr. Latulippe: Mr. Speaker, I wish to thank you for your remarks, but now I would like to point out in turn that, if we are to help foreign countries, we must first try to find the money. This is exactly what I am doing. Money is needed to accomplish something, for nothing can be done without it.

So, Mr. Speaker, we are convinced that our present system is an impediment to peace and disarmament; it gives rise to commercial abuses which degenerate into international conflicts. That is the cause of the serious problems we are experiencing at this time. What other countries are requesting is the means for self-financing, so they can meet their needs for adequate living conditions.

The financial pump is primed for tremendous arms expenditures. In the present state of the cold war, a great deal of money is thus issued for the production of items that are kept off the market. So, when the tools of war, engines of destruction are being made, no food is being produced to feed the hungry. That, Mr. Speaker, is the point we have reached with our unbalanced system favouring only a few people privileged by the economy or the system who have the avantage of controlling everything and of laying their hands on everything. If we want to have something, we must first eliminate the problem, that is to say this vast pact which weighs on the whole economy of the nation or of the nations.

So, I will say that it is difficult to deny the statement of Professor Galbraighth and others who claim that without an economic expansion based on arms production, there would be an economic breakdown in the United States.

Well, I support the statements of this professor. If, tomorrow, we were to cease the production of arms, a recession would settle on the country. There are means other than the production of arms and betting everything on war, mortgaging the whole Canadian economy, taking what the Canadians are entitled to have and what other countries are rightfully entitled to expect from the Canadians so as to invest all that in the making of tools and ships to wage war.

When we go to war, we sow destruction; when we sow destruction, we have no respect for the human being. The human being is the primary factor in a world economy; whatever their race, their colour or their language, human beings are entitled to the greatest respect.

We should be able to organize our economy so as to give work to all unemployed in Canada who live at the expense of others, and all those who are in receipt of welfare payments and who do not participate in production. Those who are trained under the retraining program do not take part in production for Canadians or to assist foreigners. By giving work to all these people, in short, by putting the financial economy at the service of Canadians, at the service of production, we could assist others with our surplus products.

We could use our surplus production to help other countries to a large extent and we would be true Canadians. We would be proud to help foreigners.

But since our economy is unbalanced, uncontrolled, misdirected, we cannot do it. We must think of ourselves first; some Canadians lack clothing or wood or oil for heating.

There is a lot to be done for Canadians and charity begins at home. Even if some foreign countries have great needs, great problems, we have ours. We are told that Canada is the second most prosperous country in the world; we enjoy affluence by borrowing money or letting debts pile up. That is our kind of prosperity.

Nobody can enjoy prosperity without getting into debt. We should realize that changes in our economy are necessary. Our economy should be balanced and we should accept the logical solutions which are proposed in this house. We should do something, that is we should become realistic and stop living in fantasy as we do now.

Realities do exist in Canada; there are physical things which can be achieved. There is a labour potential, capable of doubling Canada's production in two or three years. We could double the country's production if we were to put the financial interests at the service of the Canadian people. Instead of doing that, we restrict credit, we lower the purchasing power of the Canadian people and we put them out of work, we prevent them from producing and developing Canada.

Suggested External Aid Program

That, Mr. Speaker, is the situation where we find ourselves, and that is the objective we must set for ourselves if we want to help other countries.

Therefore, Mr. Speaker, I support this resolution in the hope that it will be passed quickly.

[*English*]

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

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

HOUSE OF COMMONS

Thursday, December 14, 1967

The house met at 2.30 p.m.

HOUSE OF COMMONS

WELCOME TO MR. SPEAKER ON RETURN AFTER ILLNESS

Right Hon. L. B. Pearson (Prime Minister): I think I am speaking for all members of the house when I express to you, Mr. Speaker, our happiness at having you back among us in the chair.

Some hon. Members: Hear, hear.

Mr. Pearson: We were sorry indeed when we heard that you would be away because of indisposition. We were delighted to learn that your ailment, whatever it may have been, has yielded to medical and surgical treatment and that you are strong, active and vigorous again.

Some hon. Members: Hear, hear.

Mr. Pearson: May I, while expressing our happiness at having you back, also express our thanks to your deputy, the hon. member for Humber-St. George (Mr. Batten) for having filled your place during your absence. There is only one thing; in order to maintain the important principle of bilingual equality Your Honour will have to read the prayers in the French language for four days in succession.

Mr. Speaker: Frankly I thought the Prime Minister was about to make a statement on another subject. If I had thought otherwise I might not have recognized him.

[*Translation*]

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

SECOND REPORT OF STANDING COMMITTEE

Second report of standing committee on broadcasting, films and assistance to the arts—Mr. Berger

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

• (2:40 p.m.)

INTEREST ACT

LIMITATION ON INTEREST CHARGED BY FINANCE COMPANIES

Mr. Maurice Allard (Sherbrooke) moved for leave to introduce Bill No. C-188 intituled "An Act to amend the Interest Act".

Some hon. Members: Explain.

Mr. Allard: Mr. Speaker, the object of this bill is to impose reasonable limits on finance companies by putting a ceiling on the interest rates, in all cases, of 12 per cent, in order to better protect Canadian citizens who must resort to loans.

Motion agreed and bill read the first time.

[*English*]

EXTERNAL AFFAIRS

GREECE—REQUEST FOR STATEMENT ON REPORTED CRISIS

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of the Secretary of State for External Affairs I should like to ask the Prime Minister whether the government is in possession of full information as to the situation in Greece. If so, could he report to the house on the matter, and especially on whether any Canadian interests—that is, interests apart from our natural concern with the state of affairs in a NATO ally—in the form of Canadian lives, persons or property are in danger in Greece at the present time?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is not easy for me to report on the actual situation inside Greece, talking about the domestic and political situation. My hon. friend probably knows as much from the press reports as we have been able to ascertain officially. The King, the Queen and the royal family have left Greece and are in Rome.

So far as the situation in Greece is concerned and the effect it might have on Canadians who are in that country, we have had a report from our embassy that the situation is quiet and that Canadians are in no danger. Our embassy has been in touch

with Canadian citizens to give them the appropriate advice in the circumstances, but there do not seem to be any circumstances requiring their immediate withdrawal from that country.

NATIONAL DEFENCE

NATO—INQUIRY AS TO POSSIBLE CHANGE IN CANADIAN COMMITMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to direct a question to the Prime Minister regarding the reports that are emanating from the NATO meeting in Brussels, where some important decisions seem in the course of being made. I want to ask the Prime Minister, has the Secretary of State for External Affairs been given any authority to make firm commitments in so far as Canada is concerned? If so, what is the nature of those commitments?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, no authority has been given to the Secretary of State for External Affairs that would involve any change of commitments on our part. As my hon. friend knows, at the annual meeting of the NATO council the affairs of the coalition generally are discussed, including its defence policies, and proposals made by military headquarters and also by the council.

There has been no authority given and no authority required to make any changes in Canadian policy, nor have any changes been made. Some reports have been made which will have to be considered, and as a result of that consideration there may be changes, but if so the house will have a chance to discuss them. The Secretary of State for External Affairs will be home I think either late tonight or tomorrow, and will probably have a chance to make a report to the house Monday afternoon.

Mr. Douglas: Mr. Speaker, I have a supplementary question. In view of the report that a NATO naval force is being contemplated, has Canada made any commitment respecting a contribution to supply NATO naval ships?

Mr. Pearson: Mr. Speaker, we already have a north Atlantic naval force and we have committed ourselves—and the house knows about the commitments—to make contributions to that force. There may be under consideration now an alteration of that force, but if so that will have to be discussed by the government in so far as any Canadian commitment is concerned, if one indeed is envisaged.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I also have a supplementary question for the Prime Minister. In view of our announced intention to participate in an international NATO fleet to help counterbalance the strength of the Soviet naval fleet, which is now the second largest in the world, is the Canadian government giving any consideration to increasing the number of ships we have at present in the Canadian navy?

Mr. Pearson: I do not know of any proposal that would require us to increase the number of our ships, but I am sure my hon. friend would wish me to wait until I have a report from the Secretary of State for External Affairs concerning exactly what is involved in this proposal, if it is a proposal. That is all it would be, a proposal.

[*Translation*]

DETECTION OF FOREIGN SHIPS IN CANADIAN WATERS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Transport, in relation to what was discussed a moment ago, since the Minister of National Defence (Mr. Cadieux) stated Tuesday that foreign vessels came within rather close range of our coasts.

Is the Minister of Transport able to inform the house whether the hovercraft purchased by the government could be equipped for the detection of foreign vessels or submarines coming close to Canadian shores?

[*English*]

Hon. Paul Hellyer (Minister of Transport): Is my hon. friend referring to the hovercraft?

[*Translation*]

Mr. Laprise: Yes, Mr. Speaker.

[*English*]

Mr. Hellyer: It is not intended to be used in the search for submarines role. It is to be used for search and rescue work, looking for seamen in distress or aircraft downed at sea; that is the purpose for which it is being bought and tested. The Royal Canadian Navy has a very substantial anti-submarine capability, along with the Royal Canadian Air Force, and listening devices which are

installed as part of the over-all defence of the north Atlantic region and the North American continent for detecting and if necessary destroying submarines.

IMMIGRATION

SUGGESTED DEPORTATION OF U.S. CITIZENS AT TORONTO UNIVERSITY

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I should like to direct my question to the hon. Minister of Manpower and Immigration. Is the minister considering the advisability of taking deportation proceedings against the two United States citizens who have been engaged in disrupting the administration of the University of Toronto?

[*Translation*]

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, I take the question as notice and I will try to obtain the information which I do not remember at this time.

[*English*]

FINANCE

REPORT OF TASK FORCE RESPECTING FOREIGN OWNERSHIP IN CANADA

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. Can the Prime Minister advise the house when the government expects to make known the findings of the committee which has been sitting under the chairmanship of the President of the Privy Council studying the question of foreign investment in Canada, so that Canadians generally may be made aware of the government's attitude toward this most important subject?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we had hoped the report would have been made available to the government before now, but I understand it will not be ready until the end of this month. I hope we will be able to report to the house on this matter when the session resumes in January.

REQUEST FOR ACCELERATED DEPRECIATION ON FARM STORAGE

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to direct my question to the Minister of Finance who above all others is the person most aware of the slow movement of wheat off farms in western Canada this year and the forced necessity, because of low quotas, for farmers to build excessive new storage facilities which may be surplus to their needs in future years when more normal shipping conditions return.

Mr. Speaker: Order, please. Would the hon. member ask his question?

Mr. Kindt: Is the minister in a position to announce the restoration of the accelerated write-offs in four years on farm storage which was in effect during 1965 and 1966 but was terminated at the beginning of this year?

Mr. Speaker: Order, please.

Mr. Kindt: Well, can't we ask a question?

Mr. Speaker: Order, please.

Mr. Kindt: I think we should be entitled—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member has asked his question.

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I heard the representations of the hon. gentleman and I will take them into sympathetic consideration.

Mr. Kindt: Can the farmers look forward to some relief after the beginning of the new year, when they start filling out their income tax returns?

Mr. Fairweather: There are enough of them who are delegates.

Some hon. Members: Oh, oh.

UNITED NATIONS

VIET NAM—PROPOSED DISCUSSION IN SECURITY COUNCIL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, last Monday I asked the right hon. Prime Minister whether Canada had participated in any discussions at the United Nations or elsewhere concerning the possibility of bringing before the security council the question of the Viet Nam war and the search for solutions to it. The right hon. gentleman gave some general information and ended his answer by saying he would take the question as notice and perhaps be able to give a more specific reply tomorrow. Since this is two

days after "tomorrow" I wonder whether the right hon. Prime Minister could give us some information on this point.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, discussions are still going on among members of the security council as to the desirability of inscribing this item on the agenda of the security council for an early session. No decision has been taken on that matter as yet. I understand that if it is a matter for discussion at the security council there will be no difficulty in having representatives from North Viet Nam and the Viet Cong take part as observers and participants in that discussion. There will be no difficulty about them reaching New York.

Mr. Lewis: Will the right hon. gentleman inform the house whether Canada is supporting the idea of the security council becoming seized of the problem?

Mr. Pearson: I think there are great difficulties in the way of any discussion of this matter at the security council which will lead to any constructive results. We are exchanging views with other members of the security council to see whether they feel in fact there might be good results from such a discussion.

VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN PENSIONS AND DISABILITY ALLOWANCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the Minister of Veterans Affairs when we can expect him to make the announcement referred to by the Minister of Finance in respect of disability pensions and other matters of concern to veterans and their dependants.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, it is my hope that in dealing with disability pensions an announcement will be made some time next week, certainly before the Christmas adjournment.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, has the departmental committee on pension rates reported to the minister?

Mr. Teillet: Not as yet, Mr. Speaker.

[Mr. Lewis.]

HEALTH AND WELFARE

MEDICARE—INQUIRY AS TO IMPLEMENTATION

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister which arises from a letter addressed to him and all members of parliament from the Canadian cattlemen's association, in which that association asks whether universal medicare is still to be put into effect in Canada in view of the protests by provincial governments, and in spite of the contrary judgment indicated by members of the cabinet. Does the government intend to institute medicare on July 1, 1968?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is the law.

Mr. MacInnis (Cape Breton South): It was last year, too.

Mr. Hales: In view of the Prime Minister's answer I should like to state that this house passed a law concerning capital punishment but still we are—

Mr. Speaker: Order, please. This is an argument.

PROTEST RESPECTING LACK OF WELFARE STATISTICS

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It arises out of the reply to written question No. 711, in which we are advised that in the Dominion Bureau of Statistics there are 105 people working on health statistics, 31 on education statistics and none on welfare statistics. The standing committee on health and welfare has been dealing with the question of abortion and its work is hampered by the lack of adequate statistics on welfare. I am shocked at the fact that no staff is allocated—

Mr. Speaker: Is that the hon. member's question?

Mr. Enns: My question is, will the minister ensure that sufficient funds are allocated to the Dominion Bureau of Statistics so they may hire staff to collect welfare statistics?

Mr. Speaker: Order, please. The hon. member has now made a representation.

PUBLIC SERVICE

REQUEST FOR CLARIFICATION OF HOLIDAY SITUATION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Prime Minister. Having in mind the rather unique situation existing in the country in regard to such holidays as Boxing day and Remembrance day, could consideration to be given to consultation at the federal, provincial, municipal and private levels in an attempt to rectify this confusion?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like the Minister of National Revenue to deal with this question.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): First of all, Mr. Speaker, with respect to the public service there is no confusion with regard to Boxing day. It is not one of the holidays available to public servance except in the particular circumstance of being the extra holiday which may be designated by the deputy head of the department. Whether a day is a holiday may vary across the country, but the important thing to the working people is the days they have off, which are usually defined in collective agreements and vary greatly across the country. I believe the average in Canada is about eight, whereas the public service of Canada has ten.

HOUSING

REQUEST FOR GREATER PARTICIPATION BY INSURANCE COMPANIES

On the orders of the day:

Mr. J. E. Walker (York Centre): Mr. Speaker, my question is for the Minister of Finance. If the minister has not already done so, would he consider requesting insurance companies to immediately make available for housing mortgages a greater proportion of their dollar reserves?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I expect to be having discussions with the insurance companies and other institutions about the needs of the housing market in the coming year.

Mr. Walker: A supplementary question, Mr. Speaker. If such a request brings no appreciable results, would the minister consider other, stronger measures?

Mr. Speaker: Order, please. The supplementary question is hypothetical.

TRANSPORT

PRINCE EDWARD ISLAND CAUSEWAY—INQUIRY AS TO NEXT STEPS

On the orders of the day:

Mr. David MacDonald (Prince): Mr. Speaker, my question is directed to the Prime Minister. In light of his press release yesterday indicating the continuation of the Northumberland strait crossing project, and in light of the considerable uncertainty in the minds of many about succeeding phases of construction of this crossing, would the Prime Minister be willing, say in the next few days, to provide the house with a schedule of events so we might know in more specific terms the details of this project?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I should await the report of Colonel Churchill before attempting to answer this question.

Mr. MacDonald (Prince): A supplementary question, Mr. Speaker. I agree with the Prime Minister that this report is important. I wonder, then, when we might expect to have the report in order to see what are the next phases of construction.

Mr. Pearson: We have asked that the report be prepared as quickly as possible, Mr. Speaker.

[*Later:*]

Mr. Heath Macquarrie (Queens): I should like to direct a question to the Minister of National Revenue in a further effort to obtain clarification of the status of the Northumberland crossing project as a result of the Prime Minister's announcement yesterday. Are we to consider now that in effect item No. 17 has been deleted from the minister's list of slashed expenditure which he gave us?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): No, Mr. Speaker. I suggest that my friend read carefully item No. 17.

NORTHERN AFFAIRS

LEGISLATIVE COUNCIL RESOLUTION RESPECTING AMENDMENTS TO YUKON ACT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Prime Minister. Since the Yukon legislative council yesterday unanimously passed legislation calling

for the establishment of a committee on constitutional reform and for discussions leading to amendments to the Yukon Act, is it the intention of the government which the Prime Minister leads to assent to the legislation and co-operate in the establishment of that committee?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in questions of constitutional reform it would be our obligation, as well as our desire, to consult and co-operate with the council.

[*Later:*]

Mr. Nielsen: Mr. Speaker, my question is supplementary to the one I directed to the Prime Minister a moment ago. I should like to ask the Minister of Indian Affairs and Northern Development—I am sure he is aware of the legislation to which I referred in my question to the Prime Minister—whether he will be instructing his commissioner in the Yukon to assent to that legislation.

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, this question has to do with a financial agreement for a two year period that was agreed to between the government of Canada and the council of the Yukon Territory. It was agreed to in Ottawa, but when the old council returned to higher latitudes they repudiated the agreement and we rewrote our agreement accordingly. They have now imposed some taxes in order to have us revise our agreement; they have also put a stipulation in the agreement which affects it. I have not talked to the commissioner yet, but I expect to be speaking to him later today.

Mr. Nielsen: Mr. Speaker, since the council's request merely calls for discussions, will the minister not assure the house that on that basis he will instruct the commissioner to assent to the legislation?

Mr. Laing: No, Mr. Speaker, I cannot; because the council is fully aware and has been informed that we are preparing a white paper on the entire matter which covers more constitutional ground than that suggested in their own resolution.

[*Translation*]

DOMINION-PROVINCIAL CONFERENCES

DOCUMENTS AT TOURISM CONFERENCE IN ENGLISH ONLY

On the orders of the day:

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question is directed to the hon. Minister of Trade and Commerce.

Is the minister aware that among the invitations sent out to the provincial ministers of tourism, the one received by the Quebec minister was in English?

Has the minister checked to see why this invitation sent to Quebec was written in English, and can he tell us whether he is taking steps to make sure that this will not happen again?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker; some of the material sent to the province of Quebec was inadvertently printed in English. This was because there was a consolidation of reports from all the provinces and these reports arrived in Ottawa to be consolidated just prior to their dispatch to the provinces. This is a matter that we will endeavour to correct next year. It was certainly inadvertent and is regretted.

GRAIN

WHEAT—INQUIRY AS TO CLOSING OF POOL ACCOUNTS

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Trade and Commerce. On Monday last I inquired whether the 1966-67 pool was going to be closed early, or earlier than last year. Is the minister now in a position to provide an answer?

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, I am. The 1966-67 wheat pool account will be closed somewhat later than last year because of the fact that wheat deliveries by producers during the 1966-67 crop year were at the highest level in the history of Canadian wheat operations. I am informed by the wheat board that they expect to close the 1966-67 wheat account some time during the first quarter of 1968.

DRUGS

SUBMISSION BY PHARMACEUTICAL MANUFACTURERS ASSOCIATION

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for the Registrar General, but in his absence I will direct it to whoever is acting in that capacity at the moment.

Is the minister in receipt of a submission produced by the pharmaceutical manufacturers association of Canada and sent to all members of parliament which makes certain misleading assertions about the price of prescription drugs and is intended to influence the introduction of a government bill on patents that is to come before the house tomorrow? Can the minister assure the house that this submission will have no effect on this bill?

[*Translation*]

Mr. Ovide Laflamme (Parliamentary Secretary to Registrar General): Mr. Speaker, I am taking notice of the question on behalf of the minister.

[*English*]

FREIGHT RATES

MEETING WITH RAILWAYS TO DISCUSS NEW L.C.L. RATES

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, my question is directed to the Minister of Transport. In view of the meeting he held yesterday with the three maritime premiers concerning l.c.l. rates, I should like to ask the minister whether he has been able to arrange a date for a meeting with the appropriate officials of the two railways to discuss this rather united submission.

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have not yet been able to, but I hope to do so at an early moment and to get their reaction to the request of the Atlantic premiers.

[*Translation*]

IMMIGRATION

MONTREAL—SUICIDE OF PORTUGUESE NATIONAL

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, yesterday, the hon. member for Argenteuil-Deux-Montagnes asked the Prime Minister, in my absence, whether we knew something about the circumstances of the suicide of a young Portuguese immigrant in Montreal.

Mr. Speaker, the answer is yes; we know that a young Portuguese immigrant named Manuel Gomez Rosa threw himself from the eighth or ninth floor of the national revenue building in Montreal, and died.

Mr. Rosa had been informed a few minutes before by an immigration officer in Montreal that he had to leave the country by December 21.

Mr. Roger-E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, yesterday I put a supplementary question to find out whether it is true that two other cases of suicide had been noted in Montreal on exactly the same spot during the last two years and possibly another incident in Toronto, again at the—

Mr. Speaker: Order, please. I think that the supplementary question should be put on the order paper. It concerns events which may have taken place some time ago.

Mr. Régimbal: Mr. Speaker, may I put my question in another form?

In view of the fact that similar events have already occurred, is the minister considering a study or a review of the procedure concerning the immigrants, so as to make sure that it is adapted to the difficult human and social circumstances in which the people affected by the decision of senior immigration officials find themselves?

Mr. Marchand: Mr. Speaker, as far as I know I think we are trying to proceed as humanely as possible, but there is one thing we will do very soon, and that is put bars on the windows of the ninth floor.

[*English*]

AGRICULTURE

INQUIRY AS TO ANNOUNCEMENT RESPECTING DAIRY POLICY

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the fact that at the present time the dairy farmers of Canada are meeting in Ottawa with the minister's officials on the dairy policy, has the minister anything to announce to the house?

Mr. Speaker: Order. I suggest that whatever the minister has to announce should be announced on motions.

Inquiries of the Ministry

Mr. Whelan: This is an important matter to the dairy farmers, Mr. Speaker, and I have had some tremendous representations.

Mr. Speaker: Does the hon. member wish to ask a supplementary question?

Mr. Whelan: I should like to ask the minister whether anything beneficial is being done to help the dairy farmers of Canada.

Mr. Speaker: Order. Even beneficial statements have to be made on motions.

INQUIRY AS TO ASSISTANCE CHEQUES FOR CROP FAILURE AREAS

On the orders of the day:

Mr. R. D. McLelland (Rosetown-Biggar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Would the minister inform the members of the house and the many interested farmers in western Canada whether the P.F.A.A. officials have completed their inspections of the crop failure areas, and whether it is the government's intention to have the assistance cheques in the hands of the farmers before Christmas?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I do not believe all inspections have been completed, and I have not yet received a report as to when the cheques will go out. I will be very pleased to look into the matter for the hon. member and to make every attempt to have these cheques sent out before Christmas to farmers in those areas which have been inspected.

NATURAL GAS

INQUIRY AS TO POSSIBLE USE OF NUCLEAR EXPLOSION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the apparent success this week of an industrial nuclear explosion in New Mexico, U.S.A., to free natural gas, can the minister report any progress in a similar experiment in Canada, particularly as it relates to the tar sands?

Mr. Speaker: Order. I wonder whether the hon. member does not think that this again is the type of statement that ought to be made on motions. The hon. member might ask whether the minister proposes to make a statement on motions.

[Mr. Speaker.]

Mr. Aiken: Then, Mr. Speaker, may I ask whether the minister intends shortly to make a statement on motions in this connection.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No, Mr. Speaker.

[*English*]

Hon. E. D. Fulton (Kamloops): May I put a supplementary question, Mr. Speaker. Has the government or the minister's department been following closely this exploratory work done in the United States, and does it have beneficial implications for the situation in Canada?

Mr. Pepin: Mr. Speaker, I had a report this morning from the chief engineer of the National Energy Board who was present at the explosion, and he tells me that it will take a couple of months before an assessment of the result of the experiment is available.

CANADIAN CENTENNIAL

SUGGESTED BONUS TO PERSONS ATTAINING AGE OF 100

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the minister of national health. Some time ago the minister indicated that the government considered it might be inflationary to grant a centennial bonus of $100 to old age security recipients. I wonder whether the minister would be prepared to grant such an award or bonus to those who attained the age of 100 years or more during centennial year.

Mr. Speaker: Order. The hon. member is making a representation which I assume will be considered.

TRADE

PLUTONIUM—REPORTED SALES TO FRANCE AND JAPAN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is to the Prime Minister. I should like to ask whether the contract for the sale of substantial quantities of plutonium, which I understand has been made with the government of France, contains safeguards relating to their use for peaceful purposes in the interests of international safety.

Mr. Speaker: Order. I am informed by usually reliable sources that this question was asked yesterday.

CANADIAN PACIFIC RAILWAY

PROTEST RESPECTING LAY-OFFS OF SHOP WORKERS

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): I should like to direct a question to the Minister of Transport. Has he received representations from representatives of the machinists union for Canadian Pacific's western shops in Winnipeg protesting general lay-offs of Canadian Pacific personnel scheduled to take place during Christmas week? If so, can he tell us what he is doing about the matter?

Hon. Paul Hellyer (Minister of Transport): I did receive representations, Mr. Speaker. A reply has been prepared, but I am not sure whether it has been despatched.

HOUSING

BRITISH COLUMBIA—INQUIRY AS TO DISCUSSIONS WITH PROVINCIAL GOVERNMENT

On the orders of the day:

Mrs. Grace MacInnis (Vancouver-Kingsway): I should like to direct a question to the Minister of Labour in his capacity as the minister for housing. In view of the reports of encouraging discussions between the minister and the province of Ontario following the recent housing conference can the minister say whether any similar discussions took place with the government of British Columbia, and if so with what result?

Hon. J. R. Nicholson (Minister of Labour): Highly satisfactory discussions took place yesterday, Mr. Speaker.

FINANCE

CONSIDERATION OF RESOLUTIONS IMPLEMENTING TARIFF REDUCTIONS

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Minister of Finance arising out of the agenda remaining to be dealt with prior to the Christmas recess. Since the tariff reductions resulting from the Kennedy round are intended to come into effect on January 1 next, can the minister inform the house how that will be accomplished in view of the fact that the resolutions based on the Kennedy round are not coming before the house or the committee before Christmas?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am advised that these resolutions will come into effect in the same way as other budget resolutions, that is either coming into effect at the time of the announcement or on the date announced in the resolution itself. In this respect there is no difference between these and any other budget resolutions. I was careful to make these inquiries because, of course, we are under an obligation to make reductions in accordance with our agreements in Geneva. I am advised that we can do so without in any way offending the ordinary practice of this house.

Mr. Lewis: May I ask a supplementary question, Mr. Speaker. Since this means they will come into effect before parliamentary discussion and decision, I suppose one has to assume they will come into effect subject to our approval?

Mr. Sharp: Yes, Mr. Speaker. I understand this is always the case. If parliament were not to approve the resolution the government would then have to either make refunds or collect from the taxpayers.

COMMUNICATIONS

INQUIRY AS TO SATELLITE TRANSMISSION PROGRAM

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. In view of the completion this morning of the committee hearing on the Bell Telephone bill, and in view of the urgent need for a decision in connection with it, will the minister make a statement before Christmas concerning the department's study of satellite communication?

Hon. Paul Hellyer (Minister of Transport): I do not know whether it is necessary, Mr. Speaker, to make a statement about the study of satellites as they relate to the bill before the committee. If it were felt essential this matter could be given consideration, because the government has made considerable progress in its plans in respect of commercial satellites. I hope it might be possible for the committee to complete its deliberations on the Bell bill and report it to the house in such a way that it could be given final consideration at the current session. It would seem to me that a reasonable effort should be made to do so.

Inquiries of the Ministry

AGRICULTURE

TURKEYS—REQUEST FOR IMPOSITION OF IMPORT QUOTAS

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct my question to the Minister of Agriculture. In view of the great flood of turkeys coming into Canada from the United States and the apparent failure of the value for duty regulations, would the minister consider imposing a quota system or some other system that would enable the turkey producers to make plans for next year?

Hon. J. J. Greene (Minister of Agriculture): When turkeys from the United States were imported into Canada at less than the cost of production early this year, the government took prompt action and fixed a value for duty of 21.5 cents, which considerably improved the situation.

I have not had any reports from the turkey producers that these measures have not been successful or if I have had such reports I do not specifically recollect them. If in fact these measures have not been successful we will review the situation, because it is our intention to protect the turkey growers or any other agricultural industry from unfair competition from the United States or anywhere else.

CONSUMER AFFAIRS

TURKEYS—REPORTED DIFFERENCE IN PRICE BETWEEN TORONTO AND OTTAWA

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intended to put this question to the Registrar General, but in his absence I will put it to the acting minister or perhaps to the Minister of Agriculture. Is the government aware of the fact that a prominent chain store, with outlets in several cities, is presently advertising grade A turkeys of over 20 pounds at 38 cents a pound in Toronto and 43 cents a pound in Ottawa? Why is there this five cent per pound penalty on the consumers in Ottawa?

Hon. J. J. Greene (Minister of Agriculture): I will certainly take up this matter with my colleague the minister of consumer affairs, and see if he can take any action.

[Mr. Hellyer.]

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

The Chairman: The house in committee of ways and means on a proposed resolution to amend the Excise Tax Act. The text of this resolution will be found appended to the budget papers in *Votes and Proceedings* for Thursday, November 30, 1967. Yesterday afternoon when the committee was discussing this resolution there was some confusion. May I suggest that the one we began discussing yesterday was the Excise Tax Act, as recorded on page 5 of the budget resolutions for Thursday, November 30. I apologize to the committee for any confusion the Chair might have caused.

EXCISE TAX ACT

That it is expedient to introduce a measure to amend the Excise Tax Act to provide among other things:

1. That effective December 1, 1967, the excise tax on each five cigarettes or fraction of five cigarettes contained in any package be increased from two and one-half cents to three cents.

2. That effective December 1, 1967, the excise tax on each pound of manufactured tobacco, including snuff but not including cigars and cigarettes, be increased from eighty cents per pound to ninety cents per pound.

3. That effective December 1, 1967, the excise tax on cigars be increased from fifteen per cent to seventeen and a half per cent.

4. That effective December 1, 1967, an excise tax of

(a) two and one-half cents per gallon on wines of all kinds containing not more than seven per cent of absolute alcohol by volume, and

(b) five cents per gallon on wines of all kinds containing more than seven per cent of absolute alcohol by volume,

be imposed in addition to any other excise tax imposed by the said Act payable at the time of sale by the Canadian manufacturer and at the time of importation or withdrawal from bonded warehouse by the importer or transferee who takes imported wines out of bond for consumption.

• (3:20 p.m.)

Mr. Roxburgh: Mr. Chairman, I want to say a few words about the increase in the excise tax on tobacco. I fully agree with the sentiments that the hon. member for Edmonton West expressed yesterday. When a government wishes to raise extra revenues through taxation, invariably it ends up by increasing taxes on tobacco and liquor.

An hon. Member: Hear, hear.

Mr. Roxburgh: There is a limit to this sort of taxation, Mr. Chairman. I hope that the minister and the anti-smoking propagandists have not forgotten the lessons to be learned from prohibition in the 1930's. Fortunes were

made by those who engaged in bootlegging, smuggling and the illegal manufacture of liquor. The minister will agree with me, I am sure, that nothing is more degrading to a government than to have to engage in the costly business—and I emphasize those words—of stamping out or controlling smuggling, bootlegging, and so on.

The tobacco industry, at least, through the taxes it pays puts half a billion dollars into the pockets of government every year. If the government increases taxes on tobacco and liquor to the point where smuggling, bootlegging and allied activities become attractive, not only will it lose revenue that it otherwise might have gained through taxes but it will need to spend much needed money to suppress those activities.

Another point was put well in an article in the *Globe and Mail* written by Bruce West. His remarks concisely sum up my feelings about the matter. He said:

> I don't like being taxed in the fashion of a naughty little boy being made to pay for his follies.

Then he went on to say:

> And by silently accepting each new levy on such things as drinks and smokes, we seem to be admitting that we are bad little characters.

I wish to say to the minister, to the government and to Mr. Bruce West that I am one of those naughty little boys and I will not take the tax increase sitting down. I feel that the limit has been reached in imposing excise taxes on liquor and particularly on cigarettes.

I know it has been some time since the federal government increased the excise tax on tobacco. The last increase took place in 1959. That merely illustrates the point I am trying to make. Away back in 1942 there was a tax increase on tobacco and there were other increases in 1943, 1951, 1952 and 1959. Obviously, since the tax has not been increased since 1959, the government must have realized that the limit in excise tax on tobacco had been approached. The latest increase brings the excise tax to the maximum amount that can be imposed. It is the limit.

As I said previously, the tobacco industry alone brings approximately $500 million to the coffers of the government. At the present time there is dissension in the house about whether medicare ought to be introduced. Some say it should be introduced and others say that because of our present economic position it should not be introduced. I will not go into the merits of the argument but I will say that the tobacco industry by itself, through the taxes it pays, could support a large part of the medicare program. In fact, if anyone ever stopped to think about it, the tax that the tobacco industry pays in one year enabled the St. Lawrence seaway to be built.

I acknowledge that excess use of tobacco may be as bad for one as excess use of anything else. A friend of mine died through an excess use of coffee. He drank 40 cups a day approximately. Nevertheless, tobacco has brought a lot of enjoyment and relaxation to many. When one considers what a night editor has to do in editing some of the reports which come out of Ottawa, surely it can be said with truth that if he had no cigarette, pipe or cigar to help him to relax his nerves his life may be very, very short. The same may be said of active businessmen, secretaries and many others who work under tension. Tobacco was a great boon to our boys who were fighting overseas. When they were under heavy fire their nerves were raw and often they preferred to sit down and smoke a cigarette or pipe instead of eating food. I know that chaps who have served overseas will agree with that statement.

I sincerely hope the minister and the department have decided that the present tax represents the limit in taxation that can be imposed on tobacco. These remarks apply equally to another product over which the minister has jurisdiction. Taxes on this product have also been raised recently.

Mr. Sharp: Mr. Chairman, I do not want to enter into a discussion with the hon. gentleman who has just spoken about the merits or otherwise of taxes on tobacco. I thought it might interest the house to know that the general problem of smuggling, which at one time was an important consideration in the level of taxes on tobacco in this country and remains an important factor, has been altered by the tendency of the United States federal government and state governments to impose taxes on cigarettes, as has been done in Canada. For example, the United States federal tax on cigarettes is 8 cents per package. In California they impose another 10 cents, in Massachusetts another 10 cents, in New Jersey 11 cents, in Pennsylvania 13 cents and so on. Whether this is a good or bad practice I will not say, but I feel that governments generally agree that this is an excellent way of raising money.

Mr. Roxburgh: May I ask the minister a question? I shall not ask him to go into detail with respect to the various states in the

U.S.A. Each state in that country is similar in many ways to each province in this country. I am thinking particularly of Ontario.

• (3:30 p.m.)

As stated by the minister, certain states add an extra tax upon tobacco. Would the minister compare the excise tax imposed on tobacco by the federal government with that imposed by the government of the United States across the line?

Mr. Sharp: I thought I had given the relevant figures. In the United States there is a federal tax of 8 cents a package. In Canada the tax is in two parts. We are now proposing that there should be a tax of 3 cents per five cigarettes, which is 12 cents for 20, plus $4 a thousand approximately—there are some differences by weight—in excise duty, which is another 4 cents per 10 cigarettes, which is 8 cents per package.

Mr. Roxburgh: In other words, the federal government in Canada imposes a tax amounting roughly to 20 cents on 20 cigarettes compared with a United States federal tax of 8 cents.

Mr. Sharp: Yes. But in the United States the states as such tax cigarettes more heavily than our provinces do.

Mr. Roxburgh: What about Virginia, Kentucky and the other tobacco-producing states? How do their taxes compare with the taxes in some of the other states?

Mr. Sharp: Their taxes on cigarettes, as might be expected, are very low. For example, in Virginia and Kentucky the tax is 2½ cents on a package of 20 whereas in states which do not produce tobacco and where consumption is high, such as New York and Pennsylvania, the tax is four or five times as much.

Mr. Roxburgh: I should like to point out to the hon. gentleman that there is certainly quite a difference between the excise tax in the United States and that imposed here, with the result that there is a chance of smuggling being carried on. But I will leave the subject at this point, expressing the sincere hope that both the present government and any future government will feel a limit has now been reached in the taxation of this product.

[*Translation*]

Mr. Caouette: Mr. Chairman, the minister has just said that the 16 cent federal tax on a 20 cigarette pack is higher than in the United States, where it is 8 cents per pack, and he added that the provinces levy less taxes than the American states. Does the minister know the amount of the tax levied by the Quebec government on a 20 cigarette pack, for instance? Could he give us that information?

[*English*]

Mr. Sharp: I am informed that in the province of Quebec the tax is six-twenty-fifths of one cent per cigarette, about a quarter of a cent, or 5 cents on 20.

Mr. Mather: Mr. Chairman, I have a question for the minister or for the hon. member who spoke just before him. We have been given a lot of figures concerning the revenue which the federal government secures by taxing the sale of cigarettes. Has the minister at hand a figure indicating the expense to which the public of Canada is put by reason of heart trouble, lung cancer and other diseases which are caused by smoking? I do not want to make a speech, but I suggest the cost is comparable with the revenue that is produced.

Mr. Sharp: I know that the cost of the diseases which may be caused by tobacco is very great but apparently there are people who believe they get a great deal of enjoyment out of tobacco. It is very difficult in this kind of calculation to decide where the benefit lies.

This is a matter for personal judgment and not one which is particularly relevant to the revenue. May I say that as far as the federal government is concerned our application of a tax has nothing to do with our moral or individual views about the tobacco question.

Mr. Howe (Wellington-Huron): Mr. Chairman, I welcome this opportunity to make a few comments on the question of cigarette smoking. Many of us were very pleased when we heard the Minister of National Health and Welfare announce a few days ago that this subject was to be referred to a committee for consideration. I have been very interested in this question ever since the former minister of national health and welfare told us that a fund of $600,000 would be set up to study the subject of cigarette smoking and its effects. Since that time almost $400,000 has been spent on this project and studies have been undertaken which indicate the hazards caused by cigarette smoking.

In spite of this, however, and notwithstanding medical advice and the publicity given to this subject by the news media, statistics show that the sale of cigarettes has been increasing. In view of the fact that such large amounts of revenue are being obtained by the government from tobacco taxes, I feel some action should be taken to provide the safest possible cigarette filter.

In this connection I was interested to receive a letter from the chairman of a senate committee in the United States which is making an investigation into the subject. There is one paragraph in this letter from Senator Warren Magnuson which I should like to put on record.

Last August, the Senate commerce committee held two days of hearings on the progress which is being made toward the development and marketing of a less hazardous cigarette.

I feel that Senator Magnuson's committee has an important task on its hands and I hope it will be found that more research in this direction is necessary. Should this be the case I hope the Minister of Finance will look favourably on any request by the Department of National Health and Welfare or the National Research Council for any assistance desired in finding the safest possible filter for the smokers of Canada in order that they may have a choice available to them instead of smoking cigarettes which we feel are bad for their health.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I am rather glad of this opportunity to make an addendum to the speech I delivered when the budget was introduced. I was, as it were, cut off in my prime and in full flight on that occasion.

I should like to make a passing reference to begin with to the strange discrepancy between the two sides of this budget. I have no doubt whatever that the minister will tell us he combined the two possible courses open to him. One was, of course, to contain expenditure and the other was to increase revenues. Technically he would be quite right. But if we notice the order of magnitude of the two parts we see it is a strange chemical mixture he has produced. His plans, according to his own figures, will bring him in only $270 million extra in a full year. On the other hand, his partner, the Minister of National Revenue—

• (3:40 p.m.)

An hon. Member: Partner in crime.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I take it for granted people will realize that the minister is his partner in crime but I will say "his partner" and leave it at that—presented the house with a series of cuts in government expenditures which amount to some $1,200 million.

I suggest to you, Mr. Chairman, that it is not possible to make cuts of that magnitude without very severe repercussions on the entire economy. Any adding that the minister did in the way of adding to his revenues was a very halfhearted attempt. I am not going to go over again the list of alternatives for revenue which I derived from the report of the Carter commission, but I would like to point out that in this morning's *Globe and Mail* it is reported that Canadian corporation profits are up by 2.6 per cent over last year, which would at least gently indicate there was another place where the minister could have got some of his revenues.

I think we have to examine the possible reasons for this action because it is too simple to say that the minister is really another Scrooge and just loves to increase taxes.

Mr. Chrétien: I would like to ask the hon. member a question in French if he does not mind.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Please do.

[*Translation*]

Mr. Chrétien: Does the hon. member not know that during the forthcoming fiscal year, half of the additional revenue of the federal government will result from the fact that we have compelled corporations to advance their payments to the treasury by two months, and that half of our revenue for the fiscal year, following this mini-budget, already accrues from corporations? In budgetary terms, that revenue represents an additional tax for corporations for the forthcoming fiscal year, that is 1968-69.

[*English*]

Mr. Cameron (Nanaimo-Cowichan-The Islands): I would point out to the Minister without Portfolio that this is a one-shot business. You are merely advancing it and getting the money earlier than usual. Therefore there will be a longer period between the time of that payment and the next payment to accommodate that change. It is really no increase in revenues.

We have to examine the circumstances in which the minister found himself and which to my mind probably induced him to take this rather disastrous course of action. To do that we have to make a brief review of the events which led up to the pegging of the Canadian dollar at 92½ cents American.

From 1950 to 1962 the Canadian dollar was on a floating exchange rate and in all those years it oscillated within a very narrow band of 3 cents American, never extending either way beyond that 3 cents. Then in June, 1961, there came a very dramatic change and our dollar rose to over 100 cents American. The next month it went up to 103 cents American and by the end of 1961 and the beginning of 1962 it was running as high as 10 cents over the American dollar, understandably causing very serious repercussions on the Canadian economy. Exporters began to encounter difficulties. Import prices rose with a consequent effect on the whole range of prices. I think we should now look at the next cause.

The development which triggered this explosive rise was a massive inflow of American capital, possibly due to the policies of the Canadian government of the day, and the policies of the Bank of Canada which produced high interest rates in Canada and attracted this inflow. The next stage was reached when the United States government took steps to stem the outflow of capital from that country and brought in the interest equalization act. Immediately the government of Canada, by this time the Liberal government, sent representatives to Washington to beg that Canada be exempted from the operations of that legislation. They succeeded in getting that exemption but had to pay a price for it, and the price was that the Canadian government would maintain its holding of reserves at a certain level, some $2.4 billion or $2.5 billion.

From that moment on, Mr. Chairman, the government of Canada was in a strait-jacket. It was unable to use monetary policy as an instrument to promote economic growth. All its policies had to be tailored to the twin problems of maintaining the tight rate of the Canadian dollar and keeping our reserves below that ceiling. I may say that only a few weeks ago the Bank of Canada had to get into the market to press the Canadian dollar down a bit and in doing so added to our holding of American dollars, showing that these two policies are incompatible. But more important, Mr. Chairman, these two policies together have tied the hands of the government.

I suggest that if the Minister of Finance hopes to get out of the bonds which he is in now—I am sure he realizes it is a very difficult situation, if not politically very dangerous—he has to take some rather drastic and decisive actions. The first of these, I think, would be to free the exchange rate. It is difficult to forecast with any certitude what would be the immediate result of freeing the Canadian dollar and having it on a floating exchange rate. However, the last occasion is not long ago when the Bank of Canada had to move into the picture to control an upward pressure on the Canadian dollar, and in today's particular circumstances the American dollar is under pressure following devaluation of sterling. So I think it is safe to assume the pressure would be upwards. If that were the case the government would be free to pursue an expansionary policy, to expand the money supply and promote growth and production in Canada.

However, with our minds on what took place in 1961 and 1962 we would also have to take some steps to see that history would not repeat itself. There would have to be some control over inflow and outflow of capital. We could not afford another massive inflow of the type which threw the whole exchange situation out of gear in 1962. There would have to be some controls in that regard. I think it is time the government of Canada looked at the outflow of capital and ceased always parroting the plea that we require massive importation of foreign capital, without paying attention to what is taking place in the economy at the present time. These are two of the things I think the government will have to do.

Then, there is the problem of controlling the type of inflation we have today. As I said the other day, I was interested to hear the minister say he understood it was not a demand type of inflation. This left me very perplexed because the only way in which his budget could make sense would be if it were a means of controlling a demand type of inflation, since it was directed toward cutting down on consumer spending, toward a contraction of the economy of the sort that should take place if there is a rapid development of a classic type of inflation, of too much money chasing too few goods. No one, not even the minister, suggests that the present inflation is of that type. But he is unwilling or perhaps unable to take the only sort of inflation control measures that must

be taken in the circumstances of a cost-push type of inflation. He is not prepared to move in the direction of selective price controls on basic commodities whose costs enter into all other costs of the economy.

I know the minister will take refuge in the constitutional position and suggest, technically quite rightly, that this is beyond the powers of the federal government, that only the provincial authorities have jurisdiction over price controls. But I suggest, Mr. Chairman, it would be a very bold provincial government indeed that would be prepared to defy the federal Minister of Finance if he placed before them the necessity for them to exercise their constitutional power to control prices, and if he accompanied that with a well-planned publicity program. In such circumstances I cannot conceive of any provincial government in its right mind persisting in refusal. It would be not only politically disastrous but also economically disastrous, as any such provincial government would be refusing to alleviate the situation of its own citizens.

I want to return for a moment to the question of the control of inflow of capital. For long I have been very doubtful of the statements made time and time again about how dependent we are on an inflow of capital. When I examine the figures I find we have a very small net inflow. I think there was only some $85 million last year as the balance left over following an outflow of some $1,300 million. When we examine some of the ways in which this inflow capital has been used we cannot help but be struck by the extravagant and wasteful ways in which that capital has been invested.

• (3:50 p.m.)

For instance, as I believe my colleague from Waterloo South mentioned the other day, we have invested in the oil industry some $7 billion to develop an industry which is now incapable of operating at any more than 35 per cent of its capacity because it runs up against market values. As one can imagine, half that investment would have produced all the oil wells we require at the present time. However, that capital flowed in without the government exercising any control over its volume or direction. This minister or his successor and this government or its successor will have to consider very carefully the direction of investment in this country by an investment board such as those which exist in many countries whose function it is to select the areas in which massive investments will be permitted and those areas in which they will not be permitted.

One may say that this is a drastic alternative to the minister's budget but I suggest, despite the Prime Minister's denial the other day that we have a crisis, that we actually face a crisis of such proportion that only drastic action of this type will enable us to gain control of our economy and to expand and grow by our own decisions in Canada and not be dependent upon the by-products of decisions made elsewhere. Otherwise I can see the minister and his successor staggering from crisis to crisis while our development and growth are inhibited in a way which will not be tolerable to the 20 million people living in Canada who are conscious of the fact that we have vast stores of natural wealth from which they should be able to build a growing and expanding economy without these continuing crises and restrictive measures. I would think that if the minister and the government or the government which follows are not prepared to take this kind of action, eventually the people of Canada will place their hope in a government which will be prepared to take such action. I shall not be here at the time but I shall watch the situation with interest. My colleague from Winnipeg seems to take exception to that, but I should like to point out that the calendar tells me differently.

However, I beg the Minister of Finance to consider very seriously the necessity for these several measures—a return to a floating exchange rate, the exercise of control over the inflow and outflow of capital, selective price controls to control the cost-push type of inflation, and eventually some measure of control over the direction of investment in this country, so that he or some successor will be able to present to the people of Canada a more hopeful and optimistic budget than the minister has been able to present in any of the many many budgets he has presented during his short term of office.

Resolution agreed to.

The Assistant Deputy Chairman: The house again in committee of ways and means on a certain proposed resolution to amend the Excise Act.

EXCISE TAX

That it is expedient to introduce a measure to amend the Excise Act and to provide among other things:

1. That effective December 1, 1967, the duty of excise on spirits distilled in Canada be increased

from thirteen dollars to fourteen dollars and twenty-five cents per proof gallon.

2. That effective December 1, 1967, the duty of excise on Canadian brandy be increased from eleven dollars to twelve dollars and twenty-five cents per proof gallon.

3. That effective December 1, 1967, the duty of excise on all beer or malt liquor be increased from thirty-eight cents to forty-two cents per gallon.

The Assistant Deputy Chairman: Shall the resolution carry?

Mr. Lambert: Mr. Speaker, on this resolution there are a few remarks I should like to make in respect of what I consider has taken place with regard to the price of spirits over the past few years and what I consider to be a quite improper practice on the part of the liquor control boards. I refer to the difference between what must be done by the federal and provincial governments when they wish, in effect, to increase the tax on bottled spirits and bottled beer. Under the provincial liquor administrations it is merely as a result of an administrative order that prices are hiked 25 cents, 15 cents, or whatever it may be. Usually it is said to be on the basis of increased costs. No one, of course, is fooled by that sort of transparent justification for a good number of the increases over the past few years. We know it is merely a desire by the provincial administration to take more and more in the way of taxation from this field. An administrative order by a liquor control board, when it is not fully justified by increased cost or by an increased tax at the federal level, can thus put in force a tax without approval by the legislature.

The federal government, however, in order to increase its revenues from wines and spirits must pass amendments to the Excise Tax Act. A certain practice has developed as a result of what the minister proposes. There have been almost immediate increase in prices by some of the liquor control commissions on the stock they had on their shelves and which had already been cleared from bond. This is something which someone in private business would refer to as unconscionable windfall profits and it is something which we always complain about as a result of any tax action that is taken by the government. Somebody immediately hikes the price on stock which is not actually being covered by the increase in the tax. I say this as a reflection on the action taken by a number of the liquor commissions across the country.

There is another aspect of this matter involving the activities of some of the liquor

[The Assistant Deputy Chairman.]

commissions which in effect act as blenders and bottlers. The question arises whether they shall be deemed under the Excise Tax Act to be manufacturers. This is something which I believe the minister should consider because it does affect the level of revenue. Certainly in this case the excise tax should be leviable at a different level from that on which it is now calculated. We see more and more of the liquor control boards in effect importing in bulk and blending, mixing and bottling. These people have an advantage over the people who bring their spirits in by the case. I wonder whether the minister has considered this point, because I believe it is an area in which some examination might be made.

I think I have said all I want to say with regard to this type of taxation, because the same principles apply in some ways with regard to both liquor and tobacco. I was glad that the hon. member for Norfolk discussed the question of smuggling. In respect of spirits which the old people all know of as moonshine, it becomes very, very—

• (4:00 p.m.)

Mr. Sharp: What is it?

Mr. Lambert: I do not know whether the minister has ever had any experience in this regard or whether I have even tasted any, but I suppose that somewhere along the way I have tasted it.

An hon. Member: You didn't go blind.

Mr. Lambert: It is my understanding that some of this product is alleged to be very good. In any event the minister will realize that the temptation becomes very great to indulge in the illegal manufacture of spirit alcohol and it is difficult to control this. A market is readily available. The minister does not have to go back too far to know the situation. When he was with the Department of Trade and Commerce I am sure he was aware that the Department of National Revenue was having very great difficulty controlling the smuggling of cigarettes from the United States into Canada, particularly into the province of Quebec where the level of provincial tax makes it very attractive and where there is a ready market.

We just cannot get into this type of situation because not only is it self-defeating in that revenue is not being obtained but the expenditures for control become so great. It was my hope that we would have all the bills in respect of these matters today. I am sorry

the minister is not able to produce them because I hoped that all the bills resulting from the resolutions except those in respect of the Kennedy round could be dealt with at this time. We have discussed these matters during debate and the fact that we find some of the tax increases repugnant has been made known. Saying so again I do not think will improve the situation.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Resolution agreed to.

The Chairman: We will now consider the resolution concerning income tax which is to be found in *Votes and Proceedings* for Thursday, November 30.

Mr. Lambert: I wonder whether we could do the customs tariff resolutions first as they are rather minor ones?

Mr. Sharp: Mr. Chairman, I am in the hands of the committee but I had thought that members would prefer to deal with all the customs tariff matters at the same time rather than the inconsequential amendments I brought forward in June and then the others I tabled in connection with the Kennedy round.

Mr. Lambert: Yes, but there are some here.

Mr. Sharp: Yes, that is right, but I would have preferred to have them all together in one bill. I am in the hands of the committee, but I really do not see much advantage in passing just those few I brought forward in June without dealing with them along with the Kennedy round resolutions which I tabled later. I would prefer to do it this way and I think this would make possible a better discussion.

Mr. Lambert: There is just one observation I should like to make. It was my hope that we could deal with the June customs tariff amendments and those which appear at page 6 of *Votes and Proceedings* for November 30. These are the ones in respect of the imposition of additional duties on wines and spirits and are the ones to which I referred.

Mr. Sharp: Yes, I understand what you mean.

Mr. Lambert: We could consider the ones in respect of the Kennedy round as something else entirely.

Mr. Sharp: Very well. Mr. Chairman, perhaps you would call the customs tariff items of June 1 and those of November 30. I would be very happy to deal with them now.

The Chairman: The house in committee of ways and means on certain proposed resolutions to amend the customs tariff as noted in *Votes and Proceedings* of Thursday, June 1, 1967.

CUSTOMS TARIFF

1. Resolved, that Schedule A to the Customs Tariff be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1 and 69315-1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Item 3805-1 agreed to.

Customs tariff-15640-1. Tequila, per gallon of the strength of proof; British preferential tariff, $5.00; most favoured nation tariff, $5.00; general tariff, $10.00;

and in addition thereto, under all tariffs, $9.00 per gallon of the strength of proof.

When the goods specified in this item are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.

Mr. Lambert: I should like to make one comment in regard to the customs tariff resolution of June 1 in respect of item 15640-1. I thought perhaps a quick tab name for this tariff proposal might be the "tequila" item. There was a reduction in the tariff but if we look at the resolution put before us on November 30 we find that the tariff on tequila has gone up. This tariff item on tequila could be referred to as being in a yo-yo position. Outside of that one item I do not wish to make further comment.

Mr. Lewis: It is like the difference between sobriety and inebriation, up or down.

Item agreed to.

Items 20925-1, 21045-1, 22001-1, 22003-1, 26325-1, 35240-1, 40938-1, 42711-1, 42761-1, 42762-1, 44043-1 agreed to.

Customs tariff-44047-1. Aircraft engines, when imported for use in the equipment of aircraft:

When of types or sizes not made in Canada: British preferential tariff, free; most favoured nation tariff, free; general tariff, 27½ per cent.

On and after July 1, 1968: British preferential tariff, free; most favoured nation tariff, 15 per cent; general tariff, 27½ per cent.

Mr. Lambert: Ever since I have been in the house, at least once a year we have dealt with the customs tariff on aircraft engines which is shown as item 44043-1. Perhaps we could have some finality in respect of this item. I have asked about this in the past and have been furnished with various explanations, some good and some not so good. Could the minister indicate some finality in this regard or are we going to have to deal with this item from now to the year 2000?

Mr. Sharp: I am not sure whether I am able to answer this question satisfactorily; therefore I will not try.

Item agreed to.

Items 46241-1, 47600-1, 56400-1, 69315-1 agreed to.

Resolution No. 1 agreed to.

Resolutions 2, 3 and 4 agreed to.

Mr. Lambert: Mr. Chairman, perhaps I could ask the minister for some explanation in respect of paragraph 14 shown in *Votes and Proceedings* for November 30 under customs tariff. Paragraph 14 states that customs tariff changes are deemed to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day and before January 1, 1968, and to have applied to goods previously imported for which no entry for consumption was made before December 1, 1967.

Mr. Sharp: Perhaps I had better ask one of my officials to come down to help me on this technical matter. Possibly in the meantime we could go on to something else.

Mr. Lambert: Subject to that explanation we could carry the two resolutions.

The Chairman: Shall this resolution carry?

Mr. Lambert: Subject to the explanation.

Resolution agreed to.

The Chairman: We will now proceed to the resolution to amend the customs tariff as listed in *Votes and Proceedings* for Thursday, November 30, 1967.

• (4:10 p.m.)

Mr. Sharp: Mr. Chairman, while we are waiting for the officials, would it be possible to stand these resolutions and go on to the income tax resolution?

The Chairman: Is it agreed that we stand the resolutions on the Customs Tariff and proceed with the resolution on the Income Tax Act?

Some hon. Members: Agreed.

The Chairman: House in committee of ways and means on a certain proposed resolution to amend the Income Tax Act. The text of this proposed resolution is appended to the notice paper of *Votes and Proceedings* of Thursday, November 30, 1967.

INCOME TAX ACT

Resolved that it is expedient to introduce a measure to amend the Income Tax Act to provide among other things:

1. That for the 1968 and subsequent taxation years, in addition to the income tax otherwise payable by an individual under the Income Tax Act, a special surtax be payable equal to the lesser of

(a) 5% of the amount of the basic tax as determined under section 33 of that act in excess of $100, or

(b) $600.

2. That for the taxation years commencing after November 1968 a corporation shall during the 12 months period ending 2 months after the close of each taxation year, pay to the Receiver General of Canada

(a) on or before the last day of each of the 12 months in that period an amount equal to one-twelfth of the tax as estimated by it at the rate for the taxation year

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year,

(b) on or before the last day of the month ending 3 months after the close of each taxation year the remainder of the tax payable on its taxable income for the year at the rate for the year

and that for the taxation year commencing in the period after and that for the taxation year commencing in the period after November 1967 and before December 1968 a corporation shall during the 10 months period ending 2 months after the close of its taxation year pay to the Receiver General of Canada

(c) on or before the last day of each of the 10 months in that period, an amount equal to one-tenth of the tax as estimated by it at the rate for the taxation year

(i) on its estimated taxable income for the year, or

(ii) on its taxable income for the immediately preceding year,

(d) on or before the last day of the month ending 3 months after the close of its taxation year the remainder of the tax payable for the year at the rate for the year.

Mr. Sharp: Mr. Chairman, as the house knows, the first paragraph of this resolution proposes a special 5 per cent surtax on individuals, which is imposed on the amount of an individual's basic tax in excess of $100.

All those whose basic tax is less than $100 will be exempt, and the tax will not exceed $600.

For the benefit of hon. members who may not be fully acquainted with these terms, it might be suitable to define what the basic tax is. It is defined in section 33 of the Income Tax Act and is used in the computation of the abatement to make room for provincial taxes. It was also used in the calculation of the tax reduction introduced in 1965. It was used in computing the 20 per cent tax reduction for those with very low incomes introduced in 1966, and it is not disturbed by the present proposal.

Basic tax is income tax as computed on taxable income using the graduated rate schedule. This tax is computed before making the abatement on account of provincial taxes and before deducting the 20 per cent reduction with a maximum of $20 introduced in 1966. It does not include the old age security tax, and it is after deducting the 20 per cent dividend tax credit and before deducting any foreign tax credit. Essentially, it is the graduated rate schedule applied to taxable income, and before the abatements for provincial taxes.

Mr. Orlikow: Mr. Chairman, could I ask the minister a question? Could the minister explain to the members of the committee the reasons—I am sure there must be some and perhaps in my stupidity I cannot understand them—for the ceiling of $600 of which the minister speaks. In other words, the maximum increase which any person will have to pay is $600. There may not be many people in that income bracket, but surely they are precisely the people who can most afford to pay. I wonder whether the minister could explain this.

Mr. Sharp: Mr. Chairman, the reason for putting on the maximum here was exactly the same reason for putting on the maximum when we applied the process in reverse. When the tax was reduced in 1965, we provided that it would not be reduced by more than $600. So when we put a surtax on—this is not a change in the graduated scale of taxes; it is additional to the amount of tax—it was felt that if the process worked in one direction it should work in the other. It was not our intention in 1965 to benefit the rich by reducing their tax by the whole of the deduction from the basic tax. So when we came to apply the surtax we said we should apply the same principle in reverse and not apply this surtax as if it were just an ordinary increase in the graduated rates of tax. That is basically the reason why the government applied the principle in both directions, when we reduced it and when we increased it.

Mr. Monteith: Mr. Chairman, it is a fact, is it not, that practically all the reduction made in 1965 was brought back in the budget of 1966?

Mr. Sharp: Yes, that is quite true. But when we did reduce the tax we neutralized the effect in 1966. When we went in the other direction we applied the same principle as we had when we made the reduction in the amount of basic tax.

Mr. Lambert: Mr. Chairman, since the minister has given his explanation I shall make my comments on the resolution at this time. I did not participate in the budget debate and I am not going to make a budget debate speech now. I have one or two comments to make in addition to those which my colleagues have made with regard to the necessity of imposing taxes and the type of taxes that have been imposed.

I would like to say something about what I believe to be a little bit of nonsense that has been bandied about with regard to the position taken by the members of the New Democratic party, and why we could not possibly support their subamendment. They have taken the position that the minister has completely abandoned the Carter report. As a matter of fact, some of the members of the New Democratic party called for a wholesale implementation of the recommendations of the Carter report. I do not think too many of them were aware of all the recommendations contained in that report because they could not possibly endorse some of them before their so-called supporters. If they did, they would have their hides taken off by their supporters.

• (4:20 p.m.)

Mr. Lewis: You know that?

Mr. Lambert: I have certainly had representations from the same type of voter who feels that he does not want things like unemployment benefits and other items deemed to be income in accordance with the Carter report; he wants them carefully kept out.

Not all of the representations requested by the minister in connection with the Carter

report have been made. Not all of the provinces have replied. There has been no white paper published, so the house has not had an opportunity to discuss a government white paper on the Carter proposals. Yet we are told that in this particular budget we should have implemented holus-bolus the recommendations in the Carter report.

Mr. Lewis: No one said that.

Mr. Lambert: That statement appeared time and time again in the speeches of the members of the New Democratic party, and that is certainly their attitude.

Whether or not the minister has abandoned the Carter report is for him to say; I am not going to speak about what he is going to do. However, I will say that having attended the deliberations of the Canadian Tax Foundation, at which were tax lawyers, tax accountants and economists, many of whom support the N.D.P., I think the report merits far more study than it has been given up to now. Anyone who dares suggest that the report should have been implemented, in whole or in part, in this budget is being completely naïve. As a matter of fact, this to me is a dangerous attitude to adopt.

I have been trying, Mr. Chairman, to get the minister to refer the Carter report to a special joint committee of the Senate and House of Commons before the government commits itself to a white paper. I have gone through the deliberations of the tax foundation earlier in November and I am more than ever convinced that I am right in this suggestion. There is a wide divergence of opinion at the academic and professional tax lawyer and tax accountant level. Some very prominent tax accountants and tax lawyers advocate, for example, a capital gains tax. Others are quite in favour of the principle of integration. Others are in favour of the removal of the depletion provisions for the extractive industries, and just as strong views are held the other way.

I would put it to the minister and to the members of this committee that there is no crushing need to implement the provisions of the Carter report. The inequalities in our taxation system have been there for a long period of years. It took a lot of time to determine their exact nature and for the royal commission to make up its mind on the kind of system it was going to recommend. We know the commission based itself on a particular system of taxation advocated by some economists from Chicago, and these questions have been kicking around for some time.

I think it is certainly open to question whether the commission has fastened upon a tax system that was primarily designed for the United States economy, a capital accumulating economy, and has decided to impose it upon the Canadian economy which is far from capital accumulating but is actually a capital borrowing economy.

Therefore, Mr. Chairman, I again put it to the minister as forcefully as I can that some members of this house should be appointed to a joint committee with members of the other place. The other place is eminently suited for the long and deliberative study that is required for the consideration of the Carter report and the submissions which have been made to the government. Then this house will be able to make up its mind and in the end we will have a much better result. The government is going to take a certain position for political reasons, and the white paper will commit the government to certain courses of action.

There is no such thing, Mr. Chairman, as being partially in favour of a capital gains tax. I could use another simile and say there is no such thing as being a little pregnant. One is entirely sold with this idea or not. Therefore, Mr. Chairman, I hope the minister will reconsider the position and that, in light of certain events which are now taking place and which will take place in the future, the house will be given the opportunity to appoint members of all parties to a joint committee to study the Carter report, instead of the government publishing a white paper first. That is all I have to say with regard to this resolution.

Mr. Lewis: Mr. Chairman, I was going to rise in any case to repeat the very strong objections of the members of this party to the measures contained in this resolution, but perhaps I may take a minute or two to answer the strictures directed against the members of this party in connection with the Carter report.

My hon. friend from Edmonton West is wrong in suggesting that any one of us asked the minister to implement the Carter report now holus-bolus. What we said—and I am not going to retract what we said for one moment—was that we were in favour of the principles of the Carter report. As far as I am concerned, Mr. Chairman, I do not qualify that statement by reference to any particular recommendation as far as I know and

understand it, and I hope I know and understand most, if not all, of the recommendations.

I was fully aware when I spoke, as were my colleagues when they spoke, that the minister had not yet completed his studies of the Carter report. I cannot put my hand on *Hansard* for November 30 so I am going to speak from memory, and no doubt the minister will correct me if I misrepresent him. But what the minister said on that day was this. As I recall, he cited four objections that have been raised to the Carter report and intimated—he did not explicitly state—that he agreed with them. Those four objections were made by what I call the vested interests whom the Carter report was trying to get into the taxation net.

The minister then went on to say, according to my recollection of his remarks, that as far as the government were concerned they were not going to implement the Carter report but would merely amend and revise our present taxation system in what they thought were appropriate ways. In other words, what the minister said was that as far as the basic principle of the Carter report was concerned, which is that all purchasing power from whatever source, whether coming from what we now call income, or transfer payments, or benefits, or from capital gain, that came into the hands of a Canadian citizen, either individual or corporate, subject to the integration of taxes, was to be regarded as taxable.

• (4:30 p.m.)

That is the principle we accept, Mr. Chairman, and it is the principle that the minister rejected, as I understand the situation. We were, of course, not naïve enough to think that the minister should bring in an entire restructuring of the tax system immediately. What we did say to him, and what I say to him without any qualification again today, is that if he was desperately in need of revenue before next spring then he ought to have imposed other taxes. He ought to have immediately removed the concessions to the extractive industries. I shall have something to say in a moment about the absurd position which the minister took. In fact, it is suggested that quite possibly he would have made more out of removing the concessions I mentioned than he could out of increases in the personal income tax. This is what we said, and I do not withdraw from that position for one moment. This is where the money is, and this is where he should have gone. I oppose this resolution, Mr. Chairman, on behalf of my colleagues as well as myself. Others may well take the opportunity to tell you this themselves.

I believe that this increase in income taxes is unfair, is unnecessary and in its economic consequences is bad. I do not know why one needs any more reasons to oppose it. It falls on the working people of this country. This attempt to equate the exemption of the first $100 of basic tax with the ceiling of $600 at the other end seems to me a kind of cynical illogic that we should not be willing to accept. In fact, it is a kind of sophistry which is intended to throw sand in people's eyes. The fact is that the exemption of the bottom $100 will mean some people will be exempted from paying an additional $5, that is, 5 per cent on the basic tax of $100. The limit of $600 for any person having an income of about $30,000 or more, as I have calculated, will mean anywhere from $100 to $400 or more. So far as I am concerned, you do not do justice by offsetting $400 or $500 at the top, for the person who can well afford the money, against $5 at the bottom.

This is typical of the justice that I have witnessed in this house, and when I was not in this house, which is often meted out to our people—the equality of one horse to one rabbit, and that is not equality. You do not achieve equity by removing $5 at the bottom, which the rich guy also gets because his first $100 is not taxed either under this proposal, when in addition to that he gets an exemption on anything over $600 which he would have had to pay.

The minister tells us in a soft voice that the reason for this is that in 1965 when there was a reduction of 10 per cent, if I remember correctly, there was a limit of $600 at that level so now he feels morally obliged to have the $600 ceiling when he increases the tax. What nonsense this is. What utter, unmitigated rubbish it is. Of course the other limit was justified.

Mr. Sharp: Why?

Mr. Lewis: Because the people who pay more taxes at that level can afford to continue to pay more taxes. In any tax system in any society the important thing so far as the individual is concerned is what he has left, not what he pays. If I may bring in a personal note, I recall when I was national secretary of the C.C.F. and getting the amount the C.C.F. could afford to pay; I paid very little tax and I was left with little.

When I resumed the practice of law I paid much more in taxes but I was still better off. As I say, the important thing is not the amount a person pays but the amount he has left. It was right to establish a $600 limit at the time taxes were reduced because the person at the top could afford to pay more. It is inequitable, it is unjust, it is unfair, it is anti-social so far as I am concerned, to establish a $600 limit when you increase taxes. The person making $50,000 or $60,000 a year—there are not many, but there are some—can afford to pay $1,000 or $1,200 in additional taxes much more easily than the ordinary worker can afford to pay even $1 per week more in taxes.

The increased taxes to which I have referred would not affect the normal living of the wealthy person, whereas an additional $50 for the ordinary working man means cutting down on the necessities of life for his family. When you add to that the increased cost of cigarettes and beer, which are the ordinary working man's luxuries, then you hit him very hard indeed. This is why we oppose this measure. This is why I do not accept this sophistry in respect of the $600 limit. I cannot think of any other reason for this move than that the minister wanted to be kind to the people whom he hopes will buy his bonds. These are the people who have the money with which to buy his bonds. We cannot, under any circumstances, support such a proposition.

The budget is also unnecessary, Mr. Chairman. I do not, for the life of me, see why the minister had to bring down this budget on November 30. Do you know how much the minister will raise in the remaining part of this fiscal year? He will get about $25 million out of the increase in income tax and a total, if I remember correctly, of some $40 million or $45 million including the other taxes on tobacco, beer and spirits. If the minister suggests to this committee that an additional $25 million for the remainder of this fiscal year even begins to touch his problem, he would be less intelligent than I sincerely believe him to be. He will make no such statement. He knows quite well the revenue he will raise between now and next March or April when his regular budget would be presented will be, in terms of the size of our budgets, peanuts. It will not even affect his money market position. You are not going to affect anybody by getting $25 million in possible revenue when you think in terms of a total picture of $9 billion or $10 billion. You are not going to persuade anyone there is any real difference, and therefore the change is unnecessary at this time.

All of this could have waited until the spring and until the minister had an opportunity of completing his study of the Carter report. At that time he could have informed parliament of what he wanted to do in relation to the complete picture. He could have corrected the many inequities in the present tax laws and closed up many of the holes by means of which people avoid taxes and evade them, at least, avoid them within the bounds of the law as they have learned to do. He could have plugged up the extensive holes in connection with expense accounts which are deducted from taxable income. In that situation the minister could have told us what other revenues or taxes he required for his purposes. He could have waited until spring rather than giving a Christmas present to the ordinary working people of Canada of an additional 5 per cent surtax. This is a mean thing to do when it is unnecessary.

However, the minister thought it necessary, Mr. Chairman, in order to raise a measly $25 million for the remainder of this fiscal year. He thought it necessary because he wants to slow down the economy. His purpose is to increase unemployment. His manner of dealing with what he calls the inflationary pressure is to produce what is known in the fancy language of economists as more slack in the economy. This really means more slack in the belly of the working man. What he wants is more unemployment or he would not have brought down this totally unnecessary budget or this unfair surtax of 5 per cent. The minister is deliberately aiming at slowing down the economy and cutting down aggregate demand through taking money from those who spend their money in the consumer market and are incapable of saving for investment purposes. He wants to cut down that aggregate demand in order to slow down the economy, to increase unemployment, in the hope that increased unemployment will bring down prices. That is a questionable hope.

• (4:40 p.m.)

We do not live in that kind of classical economy any more where a larger dose of unemployment will necessarily bring down prices. Wages are much less flexible now because they are embodied in collective agreements. They do not come down quickly, and I do not believe they should come down quickly; let me make that clear. The labour unions have considerable power and they use

that power for the benefit of the workers they represent. I believe it is right that that should be so.

Prices in the economy are frequently administered and controlled, not necessarily by cost pressures but by other factors which have nothing to do with costs and which have nothing to do with the public welfare. There is no guarantee that an increase in unemployment which the minister is after in this budget will reduce the pressures on inflation that the country is now faced with. In my opinion and in the opinion of my party it is wrong to have a policy that is directly aimed to increase unemployment. The minister's present policy is aimed to do just that. I see no other explanation for the tax increases which the resolutions that were dealt with a few minutes ago and the present resolution contain. Their acceptance will reduce the rate of growth of the economy and increase unemployment from the present level of roughly 5 per cent to 7 or 8 per cent in the next number of months.

Let me remind the committee, as I respectfully tried to remind the house, that when we increase unemployment across the country we do not increase it evenly. Ontario, Alberta and Saskatchewan, to name three provinces, will be faced with unemployment increases that will be below the national average; Quebec, the Atlantic provinces and British Columbia probably will face increases in unemployment that will be away above the national average. And if that is serving national unity, I do not understand the meaning of simple English words. At this time in Canadian history, to undertake an economic policy that may increase unemployment in one of the provinces that is concerned and deeply concerned with our search for unity is to take a thoughtless and reckless action in terms of the future of this country.

If you increase unemployment across the country as a whole by 2 per cent you will increase it east of Ontario by 4 or 5 per cent. This distortion has always been a fact in the economic history of this country. Other countries experience similar distortions. Every time you increase unemployment generally you increase it in the disadvantaged areas in greater proportion than you increase it in the areas which have enjoyed a comparative advantage. This follows logically, mathematically and historically, and this is wrong. It is wrong to burden Quebec and the Atlantic provinces with higher levels of unemployment than they now suffer from. It is wrong in social terms and in terms of the future of this country. We cannot and we do not intend to let this resolution pass without continuing our protests as firmly and as strongly as we can. We protest that the tax the minister has imposed is unfair, unnecessary and wrong at this time.

Mr. Sharp: Mr. Chairman, may I comment on the statements which have been made by the hon. members for Edmonton West and York South. The hon. member for Edmonton West repeated his suggestion that the Carter commission recommendations should be referred to a committee of the house for study. I gave serious consideration to this possibility and in a way I am inclined to agree with the hon. member. It will be very difficult to bring down proposals that will satisfy public opinion in this country. Tax reform is one of the most difficult and delicate matters that any government must deal with. Perhaps it would have been easier to remove that responsibility from our shoulders and place it on the shoulders of a committee. Nevertheless, I believe that the government has a responsibility that is very special with regard to the raising of revenues, and I did not think it was in accordance with the traditions of our system of government for the government to say to a committee of the house: Please tell us how to reform the tax system. It is perfectly all right to ask a committee to make suggestions. My hon. friend's government asked a committee to advise the government on suitable methods of tax reform. But I believe that any proposals which are brought before the house must be brought by the government itself.

I also felt that if we were to refer the Carter commission recommendations to a committee the government would only get another advisory report. We had already received a very thorough, indeed, a monumental study on tax reform and we had asked the public to comment on the report. I felt that the time had come for the government itself to bring before parliament a scheme of tax reform.

I recognize, as the hon. gentleman said, that once we have made our recommendations we are to some extent committed to them in the sense that once I have brought down a budget I am committed to it, since the government stands or falls—

Mr. Lewis: Unless you change your mind.

Mr. Sharp: Unless we change our minds, that is right.

Mr. Lambert: The minister's predecessor in office pulled back from his budgets.

Mr. Sharp: That is right. This is always possible. To a certain extent I believe that our traditions are changing. I believe it is now recognized that some of the old traditions which say that governments must never alter the proposals that they make with regard to legislation, that they must stand or fall on every comma or period, have now been surpassed by modern developments in our parliamentary institutions.

Mr. Lewis: They have been surpassed by simple common sense.

Mr. Sharp: By simple common sense, I quite agree. As my hon. friend from Edmonton West knows, the minister watched the bill with respect to the Bank Act being altered and improved as the result of the work of the committee. I expect that the white paper on tax reform that we bring forward will improve as the result of the study that will be given to it by the parliamentary committee and I hope that the government will be ready to accept amendments that appeal to it as being improvements and that it will not stand on the principle that since the government has not proposed the amendments they are not therefore good. I hope that this is how it will work out and I believe that this is a superior method of dealing with the subject. But my hon. friend from Edmonton West no doubt sincerely believes that his method of dealing with the matter is superior. He may turn out to be right—

Mr. Lambert: I want parliament to have more authority than the government has.

Mr. Sharp: I think that not only will parliament be asked to approve of the government's proposal but that there will be an opportunity, during the discussion of the white paper, for the independent views of members of the house on all sides to be expressed. This is a most difficult matter and no study that I have ever engaged in during my long experience in government has taxed my intellectual capacity more than trying to understand the implications of the Carter commission recommendations, to say nothing of improving on them.

• (4:50 p.m.)

Turning now to the remarks of the hon. member for York South I should like, before I say anything else, to correct the impression that was left by his leader with the Canadian public. I listened one day to the hon. member for Burnaby-Coquitlam talking on the program "The Nation's Business". He was talking about the budget. As I listened to him I became surprised that he would make such a misleading statement about the incidence of the surtax. As I recall, he said the surtax would not increase beyond an income of $12,000 a year, creating the impression that we were increasing our tax by 5 per cent of the income of an individual and not by 5 per cent of the tax. I do not believe the hon. member meant to mislead, but he certainly did mislead many people who listened to that program.

Mr. Lewis: I did not hear the program but I am sure the minister is not suggesting that people were misled deliberately. He agreed that the $12,000 figure he mentioned is perfectly accurate in relation to the basic tax, and 5 per cent with a limit of $600 means that the limit on the basic tax is $12,000. Is it not true that this misstatement was in a context which could not have been misinterpreted? This is what I have been given to understand. I am told that instead of saying income tax my hon. friend from Burnaby-Coquitlam left it as income.

Mr. Sharp: I do not think the leader of the N.D.P. meant to mislead but it was clear within the context of what he said that at this relatively low level of income in our modern society the ceiling applied.

I would like to correct this impression and say that the ceiling applies at an income of $32,060 where the basic tax is $12,100. To put this in perspective, the number of taxpayers who benefit from the ceiling is about 20,000 and the amount of revenue involved is very small.

An hon. Member: They are the ones who can afford it.

Mr. Sharp: That may be so. The reason there was a limit on the amount of the reduction in 1965 and the reason why, in reversing the process, we have placed a ceiling on the amount of the increase is the very rapid acceleration of a surtax on the basic tax. It changes drastically toward the top; it makes very little change at the bottom but it makes a tremendous change at the top.

I was listening to the hon. member for York South extolling the virtues of the Carter commission and when I recalled what the commission had recommended by way of alterations in the schedule of income tax I could not help being surprised by the stand

he is taking today. I recall that the top marginal level of tax under the Carter commission is to be 50 per cent. I am surprised he should agree so wholeheartedly to that principle when he objects to there being a ceiling of $600 on the surtax which does not apply until you get to an income of $32,060. The commission recommends that we should so alter our tax schedule as to reduce the marginal rate from 80 per cent to 50 per cent in some cases. This he approves, though at the same time he objects to our efforts to avoid distortion of the present schedule of rates.

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Will the minister now permit a question? Is he afraid of questions?

Mr. Sharp: No.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Does the hon. gentleman not agree that he is misrepresenting the recommendation of the Carter commission, because the 50 per cent level was to include capital gains as well as income from other sources? Has he not read that part of the report?

Mr. Sharp: I am not misrepresenting either the Carter commission or, I hope, anyone else. The fact of the matter is that the marginal rate of tax was to be reduced to 50 per cent not to compensate for the addition of capital gains but because it was believed that the present rate of tax interfered with incentive. I am surprised, as I say, that the hon. gentleman should at one and the same time be supporting this principle and objecting to our avoiding distortion of the present rates.

Mr. Cameron (Nanaimo-Cowichan-The Islands): What the Carter commission said was quite different. They pointed out that in the upper income brackets the recipients gained more through capital gains than from ordinary income and that is why they were placing the level where they did.

Mr. Sharp: The commission is clear on this point. If earnings or income from salary or wages are high it is quite likely the recipient receives no capital gains whatever. At one time I happened to be in private business where my income was fairly high and I found myself in just that position. If the Carter commission recommendations had been accepted my rate of tax would have gone down, and that is what the commission meant to happen.

Mr. Lewis: Exactly. May I ask the minister a question, because he is really, if I may suggest this without offence, making a kind of high school debating point?

Some hon. Members: What about you?

Mr. Lewis: The minister is fully capable of answering for himself. I have greater respect for him than have his supporters. He does not need help in defending himself.

I am not sure whether the 50 per cent limit would be permanent. I am ready to accept it now, certainly. But is it not a fact that the Carter commission calculations, if adopted, would produce at the 50 per cent limit more revenue than is presently derived at the 80 per cent level, that if all the income from the various sources is integrated the consequent revenue will be at least as great as it is now? The point we are urging on the minister concerns the equity of the base for taxation.

Mr. Sharp: I really do not want to enter upon that kind of debate with the hon. gentleman. I attribute to him as much intelligence as he attributes to me.

Mr. Lewis: What a mistake.

Mr. Sharp: The Carter commission, when adopting the idea of a comprehensive tax base in which all forms of income were included, had in mind that total revenue from this system would be about the same as formerly or maybe a little more. The point I was making—and the hon. gentleman has not satisfied me about it—is that in so far as income from salary is concerned a rich man would be better off under the Carter recommendations than under the present tax system. This is undeniable, and this is what Carter intended. There is a very close relationship between personal income tax rates and his proposed method of taxing corporations. However, I shall not pursue this argument any further. I wished to make the point because I am sure the hon. member wants to be consistent in his arguments, as I hope to be consistent in mine.

Mr. Lewis: And I still am.

Mr. Sharp: May I pass now to a further point which he made, one which has been put forward by other members of his party, namely the allegation that this budget was intended to create unemployment. I can only say to the hon. member for York South that I know of only one government in the world which has deliberately tried to do this and

that is the government of the United Kingdom. It is a government with which I believe he has some sympathy and whose principles he supports. If we want a good example of what not to do, it is that we must not follow those principles, and I do not intend to do so. I believe, Mr. Chairman, that unless we take this ounce of prevention now it is exactly that pound of cure we in this country may face. The purpose of this budget is to prolong our expansion and not get into the kind of difficulties that would force us into the stop-go kind of economy that we in this country have avoided for seven years.

• (5:00 p.m.)

Finally, Mr. Chairman, I wish to mention one other point, coming back to what the hon. member for York South said. This is something I want to say not only about his comments but about the comments of other hon. members. The statement I made on the Carter commission report was very carefully considered. Nothing more is to be read into it than what I said. Each word was very carefully considered. I see from the press that there has been a tendency to say that the government has ditched Carter.

Mr. Orlikow: You have.

Mr. Sharp: My words do not say that. All I recommend to hon. members is that they read what I said and not what the newspapers say I said, and may I point out that they have *Hansard* available to them.

Mr. Orlikow: It is not what you said; it is what you did.

Mr. Sharp: All I have done is what I have said.

Mr. Orlikow: Exactly.

Mr. Sharp: And when the white paper comes down the house can then judge what the government is going to do about tax reform. What I said was this:

> The government believes that substantial reform is necessary if its revenues are to be raised as fairly as possible and with a minimum of interference with the proper development and functioning of the Canadian economy. I believe that the report of the royal commission will turn out to have been of great value to the government, to parliament and the people of Canada in helping us all to recognize the deficiencies in our present tax system and to devise sensible ways to reform the system.
>
> However, the work we have done within the government, as well as the analyses we have received from others, leads us to the conclusion that while the reforms we will place before parliament and the public in the form of a white paper and ultimately in draft legislation will undoubtedly be influenced by the monumental report of the royal commission, they will be more in the nature of reforms of the existing tax structure rather than the adoption of a radically different approach. They will not necessarily be limited to items which the commission has recommended.

That was what I said and that, I hope, is what parliament will debate.

When I asked the hon. member for Nanaimo-Cowichan-The Islands the other day whether he agreed with the Carter commission report he said yes, without qualification. I then asked him a special question on a very sensitive matter, and he said he would tax veterans disability pensions.

Mr. Herridge: No, no, no. I won't go for that.

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, if the minister is going to quote me I wish he would quote me in full. I said yes, if they were brought into a tax bracket that would cause them to be taxed, but I think the minister could count those in that category at present on the fingers of one hand because the government has not been all that generous.

Mr. Sharp: Mr. Chairman, I think if the hon. gentleman will examine the question he will see that if these payments were taxable now a great many veterans would pay tax on them. I am quite sure the hon. member for Kootenay West will agree.

Mr. Herridge: Absolutely.

Mr. Sharp: I can recall one other incident, perhaps one of the first incidents in the house arising out of the Carter commission report when the hon. member for Skeena asked a question indicating he believed that the three year tax exemption for mines should be continued. I do not know whether it should be. But when I hear the members of the N.D.P. trying to support the Carter commission in principle because they believe this is a good political thing to do and then individually disagreeing with some of the essential principles of the Carter report, I really do not know where they stand on the matter. As I listened to the hon. member for York South he said, "Yes, I agree in principle with the report but not necessarily with everything in it." That is what I understood him to say.

Mr. Lewis: You are wrong.

Mr. Sharp: I think this represents the view of most people in this house. They are very much in favour of tax reform, as I am, but they do not agree with everything in the Carter report. I believe this is the position of most hon. members in the house. I hope the N.D.P. will agree with this, because I believe that is the position they also should have.

[*Translation*]

Mr. Mongrain: Mr. Chairman, the discussion was warming up and becoming so interesting that I would willingly have allowed it to go on, but I should like the time to explain why I intend to vote for the minister's bill and say why.

I say immediately that it is not because I find it perfect, and I have heard a good many suggestions that I would willingly support, but I also have heard the minister call for suggestions and criticisms, because he realized better than anyone else in the house that this is a most complicated situation which it is not easy to settle.

Here, Mr. Chairman, is an outline of the reasons why I propose to support the government.

First, I believe it is important inasmuch as I am concerned at least, to state that I have no partisan interest in doing my utmost to bring the government down. On the contrary, I believe it is important to do everything I can to ensure a certain stability to the government. I find the present system of exposing the government to non-confidence motions, one after the other, to have the sword of Damocles constantly hovering above your head, is an inconsistent way of doing things in our advanced world. In view of the complicated problems that have to be settled, the governments should be assured of some stability, four or five years in office, so that they may have the time to arrive at policies, the good or bad results of which can then be observed.

If the government errs, we will have an election campaign during which we will have the opportunity of making them—and the electors—understand the error of their ways, but it seems to me that the tendency to bring down the government every five or six months is futile, childish and out-of-date in the complicated world in which we live.

There is another reason, Mr. Chairman. It is that in the field of finance and taxation, we realize today that the problem is worldwide and complicated, to the point where even an expert like the minister who has spent a lifetime in the field and who is surrounded by experts in the matter, who has met experts in taxation and in international finance of every country of the world, himself recognizes, as he has this afternoon, that he has trouble in finding equitable solutions.

Therefore, if an hon. member—were he the most brilliant, the most intelligent, the most talented, the most experienced—suggested that the solution he offers is absolutely unchallengeable, I would call him presumptuous. All the suggestions which have been made may have some merit but the minister responsible for the administration, in this instance the Minister of Finance (Mr. Sharp), in co-operation with his colleagues of the cabinet, must take the final decision under the system by which we are governed.

• (5:10 p.m.)

I have the feeling, Mr. Chairman, which is shared by many other members, that the hon. Minister of Finance is a victim of a system over which he has no control; he is struggling in a sort of strait jacket conditioned not only by international but intercontinental circumstances and he does his best under such circumstances. In view of the complexity of this problem, of the difficulty to find an absolutely unchallengeable solution, I give the minister and his colleagues the benefit of the doubt. If experience shows that they were wrong, we shall have another election and then we shall have the opportunity to ask them for an accounting.

Besides, Mr. Chairman, I feel it would be advisable to go to the bottom of things, to use the expression of that great man who came here to meddle in matters that were none of his business.

The bottom of things is not merely a gesture of good or bad administration of some government or other. The bottom of things means that we are going through a financial and economic cycle which affects at present every capitalist country of the world, as well as socialist countries. I need not recall what is happening at present in England. The minister, as well as others, have mentioned it earlier. I need not recall either what is happening in France, where open demonstrations and uprisings involving thousands of citizens are taking place, in protest against certain pieces of legislation, such as the reduction of social security benefits enjoyed up to now, and against some other measures.

There is no need for me to evoke the cry "Vive la Bretagne libre" which stems from absolutely obvious economic deficiencies, as

well as other French possessions. There is no need for me to evoke here the fact that for months the President of the United States has been calling for an increase of 10 per cent in the personal income tax. Some will tell me that this is due to the war in Viet Nam. That is possible, but it is a fact, and we, any and all of us, can do very little, if anything, to put an end to it.

We are caught in this international whirlpool, we are conditioned by it. I say, therefore, that we must give the government the benefit of the doubt and rally around it to spare our country even more serious economic troubles than those we now suffer.

I repeat the words: Whoever is without sin in this house—to encourage whoever thinks he is infallible in the field of financial reform to get up and tell us so. I think we will then see someone who is unbelievably presumptuous.

So much for that, Mr. Chairman. However, constructive suggestions can still be made. I was told, for example, that we dislike the realization that taxes must be raised and that we must deprive ourselves and tighten our belts. But who among us can say that he has not lived beyond his means in trying to imitate the Americans who live in a style which only a rich country like the United States can afford.

But, anyhow, Mr. Chairman, who among us, once again, can suggest a measure obviously better than the one proposed by the government, with proof and experience to support it? Who among us has, in these financial matters, the experience which the Minister of Finance has with all the years he spent at the service of the government? Who can take advantage of the advice of experts as able as those around him and those he meets when he goes to see the ministers of finance of other countries

Mr. Chairman, this being said, I repeat that there still are things which surprise us. For instance, I am one of those who do not understand very well why something like $17 billion—official figure for the world last year—are still being devoted to manufacturing armaments to kill people, while only $1.75 million is devoted to preventing people from dying of hunger. This is something surprising, and one might be allowed to express his surprise before that state of affairs which is not necessarily Canadian but once again international. I repeat that the problem is international.

[Mr. Mongrain.]

Mr. Chairman, I will not mention the difficulties we are experiencing in this country and which on the whole are almost all taxation problems which result from the economic conditions due to what I mentioned earlier. One knows, for instance, that the maritime provinces complain that they are neglected. One knows that if Quebec is talking about separatism, it is mainly because Quebec probably does not enjoy the relative affluence it hoped for. One knows that the wealthy province of British Columbia sometimes complains and toys with the idea of separatism too. One knows that when the provincial premiers come to Ottawa, it is to ask for money, because they never have enough. We also know that our municipalities and school boards are desperate.

Mr. Chairman, I refer again to some basic suggestions, because I see the need to go once again to the bottom of things. I believe—and anyone may say it, even those who endorse the proposal—that the present capitalist world, the leaders and the lords of high finance find comfort and reassurance by shouting "socialism", even when some socialists are proposing measures acceptable to all. By the same token, I think that perhaps some socialists are too prone to curse capitalists, instead of seeking opportunities to sit down and discuss things with them, and afterwards ask the government to implement measures so that the bosses of national and international high finance may proceed of their own accord with this self-reform, before a hungry and deaf people resort to violent rebellion, because it is no use preaching to a hungry man.

Mr. Chairman, it will be said that I exaggerate, but I wish I had the time to mention some facts to prove that such is not the case. I think that, in the field of high finance, there is a lack of co-operation with the Minister of Finance or the government, if you wish. There is insufficient acceptance of the reforms made necessary by conditions in 1967; instead, they will have to be imposed upon them.

Mr. Chairman, when I heard the chorus of boos which greeted the appearance of the Carter report, what my English friends call the true and tried, from private business, I was greatly concerned. I said to myself: In all likelihood, this hurts them, they are concerned with this discernible trend to the left; so I read the Carter report very carefully. I admit that I am not as qualified as other hon. members, but I read it several times, and I said to myself: Even if it may be

said that the report will not be fully concurred in, it contains a large number of recommendations which, at least, might give a hard push in the right direction to our economy and our financial system, maybe not toward perfection, since perfection is not of this world, as we all know.

There are other things, Mr. Chairman, which are surprising to us. I think I would agree with my socialist friends—I hope I do not insult the members of the New Democratic party by calling them socialists—who say that the government should have recourse to a greater number of these sources of profit which are now reserved for private enterprise and which could benefit the general public, that the government should try to reserve a certain number of them for itself, or at least try to establish some kind of joint enterprise or force private enterprise, which derives considerable revenue from these sources, to establish priorities with regard to its investments. In fact, a certain severity should be shown private enterprise to make it understand that if it does not willingly respect these exigencies of modern life, it will be forced to do so by circumstances and not, I hope, by violent actions on the part of the population which is beginning to find present conditions extremely trying. The people always find that they are being imposed upon and that the national burden is not borne by everyone equally.

Mr. Chairman, there are other things that amaze me, such as our antiquated tax collection system. The school boards collect taxes, with all the staff and the whole system that is involved; municipalities collect taxes, with all the staff and the equipment required; provincial governments collect taxes, with all the staff and the expensive equipment they need; the federal government collects taxes, and God knows how complicated that system is. Therefore, I am wondering if the time has not come to simplify this a little and to say, for example: The provinces will collect taxes and then, they will make an agreement with the federal government for a distribution of some kind, in order to reduce this army of tax collectors who hound us day and night. I am not referring to those in debt to finance companies which are still more exacting and probably demand their pound of flesh with more cruelty. But all that becomes extremely costly for the taxpayer who is pressed by the school board collector, the municipality, the province or the federal government and all the other agents and who is at the end of his tether.

• (5:20 p.m.)

Mr. Chairman, when reference is made to adjustments in the financial field and when prime consideration is given to a reduction of government expenditures, as persistently requested by newspapers—I hear the provincial premiers telling their ministers that it is essential to make savings—I wonder whether it is not time to regroup the provinces and make them a little more viable.

One after the other, the members for Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland are heard complaining about their provinces being handicapped, abandoned and poor. Would it not be time for those provinces to group together, to pool all their available resources, in order to reduce their administrative costs? Why have four provincial administrations trying to attain the same economic level as Quebec and Ontario? Would it not be advisable for the central provinces to do likewise? Of course, British Columbia will always stand apart, being a rich province, but I feel that it would not be illusory to start serious discussions—there has already been talk about it—to start a serious dialogue in an attempt to reduce the number of provinces; in short, to regroup the provinces considered poor, so that they might pull together, save in their administration and also offer greater economic value when they negotiate loans on the market.

Mr. Chairman, those are all remedial measures which could be suggested. Many others have been put forward. I think the minister would welcome them, all the more so because he has asked for them admitting that, in spite of his experience, the problem is extremely complex for all the countries in the world and that it is not the exclusive concern of the federal government.

I would say that, when such a difficulty arises, we should think about the welfare of our country. When we are not sure of reaching perfection, we should try, at least, to choose the lesser evil. With the best interests of the country in mind, at least in my case, I must vote for this bill, which is probably not perfect, but since I have yet to see anyone showing me something better, I will accept it at this time, with its good points, the sacrifices it calls for, keeping in mind the words of President Kennedy: This is not the time to ask ourselves what our country can do for us, it is the time to ask ourselves what we can do for our country. My country is Canada.

[*English*]

Mr. Orlikow: Mr. Speaker, we in the N.D.P. have made it very clear that we oppose these tax proposals. We have said, and I will return to this point later, that this is the wrong time to increase taxes. A tax increase at a time when we have increasing unemployment can only lead to more unemployment, and for the minister to deny that this action will lead to increased unemployment is a complete contradiction of the facts.

We are opposed to the particular proposals because they are completely unfair. If ever there was a class budget, this is it. This budget is designed to increase the burden of the ordinary taxpayer and let those people who have large incomes get away almost scot free. A 5 per cent surtax will mean that the bulk of the money raised will be from income tax paid by those in the lower or middle income brackets. The provision to which the minister referred relating to a maximum of $600 which can be paid by anyone exempts those people who can most afford to pay increased tax from paying their share. I think the minister said there were 32,000 people in the income bracket that will be required to pay increased taxes to the extent of $600. It may well be that not much money will come in as a result of the 5 per cent surtax collected from these very wealthy people, but the fact is that this sets a very poor example because the ordinary citizen will have to pay the full increased tax while 32,000 wealthy people will have a limit in respect of what they must pay.

The minister said again that he had not rejected the recommendations and basic principles in the Carter commission report. He put on the record again this afternoon what he said earlier. No matter how thin the minister slices the boloney, it is still boloney. The facts are very clear. The minister proposes by this mini-budget to increase the personal income tax and ignore entirely the recommendations of the Carter commission. These recommendations may be accepted at some later date but in light of the situation it is pretty obvious to most of us that the majority of the Carter commission recommendations will be forgotten.

The minister has tried to scare us off by telling us and the Canadian people that we surely do not want unemployment insurance classified as income and therefore taxed. He asks us whether we want veterans benefits classified as income and therefore taxed. He says that surely we do not want these things but he did not say today, though I am sure he will on another occasion, that we do not want members of co-operatives to pay tax on their co-operative patronage dividends.

What the minister is doing in defence of the mining industry, the oil industry and other business interests is chipping away from the basic concept the Carter commission enunciated in respect of its support of the interests of low income bracket group. I do not think it makes any difference whether the minister talks about a tax rate of 50 per cent, 45 per cent or 55 per cent. What the Carter commission stated was that essentially the low and middle income groups in this country were paying an unfair share of the taxes collected while the higher income group is getting away with a limited tax.

What has the minister said about this situation? Has he made one single proposal to plug the loopholes documented so very well by the Carter commission? He has not, and I do not think he will because he represents a constituency made up of people who are in the high income bracket.

Mr. Sharp: Yes, veterans.

Mr. Orlikow: The minister has not said a word about the large number of people in the upper income bracket who do not pay a penny income tax in terms of expense accounts. He does not say anything about the large number of people who are in the position to deduct a very substantial part of their car expenses on the basis of being a business expense whereas the ordinary construction worker who may have to travel 25 miles each way between his home and his job cannot do this because this cost of transportation is not considered a business expense. The minister has not said a word about the number of people who deduct conference expenses. I have in mind a group of doctors who hold annual meetings in different cities and different countries. Recently this conference was held on a ship travelling the Caribbean. The cost of this was a legitimate business expense and deductible for income tax purposes. We have not heard a word about this sort of thing being inherently wrong.

The minister has not said a word about the basic recommendations of the Carter commission. The commission suggested that oil, mining and insurance companies are not paying a fair share of the taxes. The minister tries to create the impression that we are all animals of a strange kind because we think these people should be paying their share of

taxes. In the event that the minister has been too busy to read the Toronto newspapers, let me draw his attention to a couple of editorials which appeared this month in the Toronto *Star*. This newspaper at election time will promote the interests of the Liberal party and urge Canadians to elect Liberal candidates in all parts of Canada. Let us look at what the Toronto *Star* said about the minister's tax proposals and how he ignored the basic recommendations of the Carter commission. The editorial suggests that he has buried these recommendations but I think he has killed them. This editorial, which appeared in the Toronto *Star* of December 7, 1967 under the heading "Have The Insurance Firms Won", includes the following paragraph:

> It noted that Canadian insurance companies, with 30 per cent of their business placed abroad, paid $13,800,000 in income taxes to foreign governments. It pointed out in contrast that foreign insurance companies in this country paid no income tax to Canada on life insurance policies written in this country.

• (5:30 p.m.)

The editorial went on to say:

> The 1964 revenues of Canadian insurance companies exceed their expenditure by $90 million. But they paid tax on less than $5 million of that amount.
>
> The report acknowledged that insurance premiums might have to be raised, or policy dividends reduced, if insurance companies were required to pay their fair share of income tax.
>
> But the commission clearly believed that this was wholly acceptable since it would mean a substantial increase in federal revenues and a consequent easing of the tax load on the ordinary taxpayer.
>
> These were reasonable and just proposals, long overdue. Are they now to be discarded by Mr. Sharp because of pressure from the insurance companies?

I think it is obvious that they have been discarded by the Minister of Finance. In an editorial which appeared a few days later on December 11, entitled "Mines Should Pay Fair Tax Share", the Montreal *Star* said:

> How can finance minister Mitchell Sharp justify his decision to dig new tax revenue out of the ordinary wage earner while continuing to provide special tax privileges to big business—notably the mining industry?
>
> The Carter Royal Commission on Taxation found that mining, along with the insurance and petroleum industries, was a potentially rich source of tax revenue that had long been enjoying unnecessary exemptions.

It is estimated in this editorial that the amount the mining industry would have paid, calculated on 1964 figures, if they had paid the ordinary taxes which all businesses except mining, oil and insurance pay, was somewhere between $133 million and $250 million annually. It is for this reason that we say—and we are not alone in saying it, as I have pointed out—that the minister, despite all his protestations, has killed the basic recommendations contained in the report of the Carter commission.

The minister has ignored another basic recommendation of the Carter commission, namely, that Canada should do what nearly every other modern industrial country has done and implement a capital gains tax. If such a tax were imposed it would bring into the coffers of the Canadian government tens, if not hundreds, of millions of dollars. To the extent that this is not done, and for each year in which it is not done, the ordinary taxpayer is paying substantially more income tax than he should be paying. Yet the minister gets up again and again and says he is not ditching the Carter commission recommendations. I will believe that the minister is not ditching them when he brings in proposals to tax the mining, insurance and oil industries. I do not think I will be in this house long enough—and I expect to be here for some time—to see the Minister of Finance do that, because he believes, as apparently his government does, that those industries which have shall continue to have and those which have not shall pay taxes. That is precisely what the minister has done in implementing the 5 per cent surtax on income and the extra tax on beer and tobacco.

If we take the minister's budget speech together with the speech of the Minister of National Revenue in which he announced very substantial cut-backs in government expenditures for next year, we can come to no other conclusion than that there will be substantially more unemployment next year than there is this year. We reject such a policy. We reject it nationally and even more emphatically in terms of regional welfare and development.

It may not be a very serious matter to booming areas such as Toronto and Vancouver if the government cuts back on its expenditures. But I say to the minister and to some of the members of the official opposition who have been saying, if I understand them correctly, that the fault of the government is that it has not cut expenditures enough, that to impose the kind of cut-backs which the government proposes in the slow growth areas of this country is a disaster.

While contractors may be building new factories, shopping centres, houses and apartment buildings at a record rate in central Canada in the Toronto and Hamilton areas, if you take away government expenditures in the Atlantic provinces there will be nothing left. I was there about a month ago at the invitation of railway workers. At that time I visited Sydney. I cannot remember when I spent a more depressing day, because I heard about lay-offs in the coal mines, in the steel mill, lay-offs of railway workers and longshoremen at North Sydney.

The proposals of the government to cut back expenditures mean that the unemployment situation in our slow growth areas will be of catastrophic proportions in the coming year. We do not agree that government expenditures need to be cut back at all. Certainly I will never agree that government expenditures should be cut back by the meat-axe method which the Minister of National Revenue announced the other day, while there is not the slightest sign of intention by the government to do anything to in any way restrict expenditures in the private sector of our economy.

I remember that when the Minister of Finance brought down his budget last year, I think it was in February, he announced not the cut-backs which we have had announced now but some kind of pause. I remember that the minister announced one specific project that would not be proceeded with. This was a building here in Ottawa which the government had previously agreed was necessary, namely, a building for the National Research Council.

The day after the minister made his speech announcing that pause, the day it was reported in the Ottawa newspapers that the government would not go ahead with this building, in the Ottawa *Journal*, and I presume in the *Citizen* too, there was a two-page spread about the new hotel-office building complex within a few blocks of the parliament buildings which Campeau Construction Company Limited was going ahead with. I have no objection to another hotel being built in Ottawa. Perhaps it is needed. But as far as I am concerned we needed the building for the National Research Council a great deal more that we did the Skyline hotel. If we must have restraints, let us have them in respect of those things which are not necessary. We would be somewhat more sympathetic to the minister's ideas on restraints if we thought they would be applied to things we can do without.

At the housing conference which took place the other day, which I think ought not to have been proceeded with if the federal government could not increase the amount of money it was prepared to devote to housing, the premier of Ontario, Mr. Robarts, and the premier of Quebec, Mr. Johnson, made what I thought was a very worth-while proposal. It was not a proposal that would cost the federal government money. It was in relation to houses whose cost, exclusive of land, did not exceed $15,000.

• (5:40 p.m.)

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. gentleman, but while the Chair has allowed quite a bit of straying from the resolution now under study I think the hon. member is going a little farther than his predecessors. I therefore ask him to come back to the resolution under study.

Mr. Orlikow: Mr. Chairman, I think I am precisely on the paragraph we are studying. I am trying to illustrate why I intend to vote against this 5 per cent surtax on income tax. First of all I am suggesting that we do not need this increase in taxes and, second, that if restraint is needed it should be in more sensible fields. One area in which we do not need restraint is that of housing.

The suggestion of the premiers of Ontario and Quebec was that if the federal government would rebate the sales tax on building materials used to construct relatively modest homes, the governments of Ontario and Quebec would in turn be prepared to rebate from their provincial coffers the provincial sales tax on building materials. They calculated that the federal and provincial rebates would amount to between $1,200 and $1,500. In other words, the two rebates would be sufficient to raise the down payment on a house.

I thought this was a very sensible and modest proposal that the federal government would jump at, but it did not do so. It is opposed to this kind of planning, to this kind of common sense. The federal government wants to charge everybody tax.

I suggest that people who build shopping centres, service stations and luxury office buildings can well afford to pay this tax. Why not? They merely pass the increased cost on to their customers. However, the ordinary citizen who wants to buy a house simply cannot afford this extra tax, so less and less people are buying houses.

This government simply refuses to interfere in the slightest way with the private sector. When there is need for restraint the restraint is focused upon the public sector. The federal government is setting an example which I am sure it hopes the provinces and municipalities are going to follow. If they do, then it means there will be a cutback in the building of schools. This is precisely the area in which the economic council, among others, has said we need to increase our efforts. It has already been announced that there is going to be a cutback in the building of new health facilities. As a matter of fact, the Minister of National Revenue has announced that the money from the health resources fund which goes toward assisting the provinces and universities in the building of medical colleges will have to be stretched out.

The Assistant Deputy Chairman: Order. I am sorry to interrupt the hon. member again but this resolution is to amend the Income Tax Act.

Mr. Orlikow: But is that not precisely the point, Mr. Chairman? The minister is increasing income tax because he needs more money. If the government needs more money I am suggesting it should look at the expenditure that is being made. Because I do not like the proposals of the minister for the spending of money I am outlining as briefly and as closely to the resolution as I can the reasons I intend to vote against this measure.

I am not going to go into the arguments presented by the leader of my party, the hon. member for Burnaby-Coquitlam, who referred to items of useless military expenditure such as the *Bonaventure*, the supporting destroyers and obsolete aircraft. We are pouring not small amounts, Mr. Chairman, but hundreds of millions of dollars into this sort of equipment.

I am suggesting to the Minister of Finance that he should manage the economic life and social needs of the country in such a way that the ordinary citizens are given some equity. Instead of doing this he is indicating clearly that he believes in the maxim that those that have shall continue to have. Until he changes his views he will not get support from the members of this house.

Mr. Herridge: Mr. Chairman, I want to deal very briefly and basically with a comment made by the Minister of Finance which rather disturbed me. However, I must say that I do not rise as an authority on fiscal and budgetary affairs; I leave those matters to persons who have given them much more study than I and who have been more successful in forecasting financial affairs than I have in my lifetime.

I rise first of all, Mr. Chairman, because I thought the suggestion made by the hon. member for Edmonton West was a good one. He suggested that the Carter report go before a committee of this house or, if I understood him correctly, before a committee of the Senate.

Mr. Lambert: Both.

Mr. Herridge: Yes, or both. I think that is a good suggestion. I have argued for a long time that we should make much greater use of committees in the Senate when dealing with particular problems. These committees have done some good work in the past in such matters as manpower, land use, and so on, and they might well study other current questions instead of our spending large sums of money on royal commissions.

I understand why there is some hesitation on the part of the government in implementing the Carter report, because there have been widespread objections. The farmers organizations of Canada have objected on certain grounds to certain proposals in the Carter report. The beef producers have objected on certain grounds to other proposals. So have the fruit growers and the co-operatives. The national credit union has made strong protests against the effect of the application of certain proposals in the Carter report. Some unions have also objected to the implementation of certain sections in the Carter report, as have some large companies.

These larger companies have mostly been concerned with making representations to protect their write-offs and that sort of thing. However, I cannot understand why they did not have enough common sense and understanding of public relations to bring the plight of other people to the attention of the government when they were making their own representations.

The Royal Canadian Legion has been concerned about some of the proposals in the Carter commission report. As a matter of fact the Legion has written a letter to the Prime Minister explaining the attitude of their members. So have the army and navy veterans and other veterans organizations across the country. I have had a lot of correspondence on this matter and can fully appreciate

their attitude to proposals in the Carter commission report that would tax veterans disability pensions. It was largely a comment of the Minister of Finance that stirred me for a moment or two to say a few words.

• (5:50 p.m.)

This has been a matter of great interest to me since I was president of a Great War Veterans Association branch in 1919. I was one of those who helped prepare the resolution which was presented to the government urging exemption from taxation of disability pensions. In that connection I have some extracts from *Hansard* of the day. I recall the change in the attitude of the government at that time. This matter was brought to the attention of the house on June 13, 1919 by Sir Herbert Ames and Mr. Lemieux. As a result of their representations Sir Thomas White, who was minister of finance at that time, had this to say:

> I am disposed to regard very favourably the suggestion put forward by the two hon. members. The hon. member for St. Antoine (Sir Herbert Ames) had drawn the matter to my attention and it strongly appeals to me. It is not necessary to make any amendment to the resolution, because it is open to us, when the bill is in the committee stage, to extend the exemptions by cutting down and not adding to the burdens of taxation. I will have a note made of the suggestions and get an appropriate amendment to the bill when it is in the committee stage.

Later, on June 24, the same question came before the house and the minister of finance, Sir Thomas White, had this to say:

> I am glad to have the matter drawn to the attention of the Commissioner of Taxation.
>
> I now wish to move an amendment by inserting the following clause immediately before clause 4:
>
> "4. Section five of the said Act is amended by adding thereto the following paragraph:—
>
> (i) Income derived from any pension granted to any member of His Majesty's military, naval or air forces for any disability suffered by the pensioner while serving in any of His Majesty's forces during the war that began in August, one thousand nine hundred and fourteen, and the income derived from any pension granted to any dependent relative of any person who was killed or suffered any disability while serving in the said forces in the said war."
>
> I think that meets the suggestion put forward by the hon. member for St. Antoine (Sir Herbert Ames) and concurred in by the hon. member for Maisonneuve (Mr. Lemieux).

This was agreed to unanimously by the house at that time. When this amendment was passed the government received letters of thanks from the various veterans organizations, including the Great War Veterans Association, for taking this humanitarian approach. I was closely associated during that period in the organization of the Great War Veterans Association. I remember it quite vividly. This principle has been accepted by parliament since 1919 and there has never been any suggestion of varying it until the Carter commission report was made public. This caused concern amongst a number of veterans organizations across Canada including the Royal Canadian Legion, and that is why the president of that organization wrote the Prime Minister a personal letter on this question.

This principle was endorsed by all parties at that time and has been endorsed by all parties until this date. They realize it is a humanitarian principle. Not only has it been endorsed in Canada but it is followed by almost all democratic countries. In order to illustrate this point I want to quote from the *World Veteran* for July-September, 1967, which contains a report of the proceedings of the international conference on legislation concerning veterans and war victims. When the standing committee on veterans affairs was in Europe in 1966, the members had an opportunity to meet with the executive of this organization and to attend one of their meetings. I was surprised because this organization, which represents veterans from about 50 countries in the world, is doing excellent work in connection with the promotion of world peace. It may interest some people to know that Colonel So-and-so, Major So-and-so and Brigadier So-and-so were sponsoring resolutions directed toward the promotion of peace in the world. Why did they do so? Those who have served in war or have suffered in war are usually the ones who are most concerned about maintaining peace in the future.

As I have said, most countries in the world exempt disability pensions from taxation. This matter came up for discussion again at this conference and the following resolution was passed:

> Considering that war victims pensions are compensation for injuries occurred or for the loss of family members;
>
> Noting that financial means for them are provided by the whole population of a country concerned through taxation;
>
> Recommends governments concerned to decide that the compensation provided by war victims legislation be exempted from tax.

This is the accepted practice. I think we all realize that throughout the years it has been the practice of this government to exempt disability pensioners and their dependents from income tax on their pensions. It has

been the policy of the government in connection with workmen's compensation payments. It has been the policy of the government not to tax civilian disability payments or allowances. I urge on the members of this house, therefore, that they continue to support this humanitarian principle that has been in effect in our country since 1919. I can tell you that as a veteran and a socialist you will not get me to support any other policy.

Mr. Lewis: Mr. Chairman, the Minister of Finance made a number of assertions with which I want to deal for a few minutes. I may say, first of all, that the minister made what I suggest was a basic distortion of the meaning and intent of the Carter report by trying to indicate that because there may be some details in it about which some may have questions, this means the Carter report as a whole is affected. It may well be that the disability pensions of veterans which are paid as a result of the gratitude of a country for service in war ought not to be included for income tax purposes. I have a strong feeling of agreement with this principle. There are one or two other benefits of a similar kind that ought not to be included in income. It may well be, therefore, that the Carter commission in seeking to put up a completely logical device did as a good many logicians have done many times in history, failed to recognize some of the exceptions which make logic stronger rather than weaker.

But when the minister suggests that these possible exceptions from the general framework of the Carter report justify him in ditching the report as a whole, he is treating the members of this house and the people of Canada as if they were children.

Mr. Sharp: Who ditched the report?

Mr. Lewis: You did.

Mr. Sharp: I did not say that.

Mr. Lewis: This is what the minister said. I do not always agree exactly with the way members of the press report things but it is not an accident, it cannot be an accident, when every report of his speech said the minister has rejected or ditched or jettisoned the Carter report. We are not all imbeciles.

An hon. Member: Read his words.

Mr. Lewis: I see it is six oclock, Mr. Chairman.

• (6:00 p.m.)

The Assistant Deputy Chairman: Order, please. In order that the house may now proceed to consideration of private members' business it is my duty to leave the chair.

Mr. Deputy Speaker: Order, please. The house will now proceed to the consideration of private member's business as listed on today's order paper, namely, private bills, notices of motions (papers), public bills.

PRIVATE BILLS

SEABOARD FINANCE COMPANY OF CANADA

On the order:

Resuming debate on the motion of Mr. Cameron (High Park) for the second reading of Bill S-15, an act to incorporate Seaboard Finance Company of Canada.

Mr. A. J. P. Cameron (High Park): Mr. Speaker, by leave, I move:

That order numbered 7 under the heading "Private Bills" appearing on this day's order paper, for resuming debate on the motion standing in my name for the second reading of Bill S-15, an act to incorporate Seaboard Finance Company of Canada, be discharged and the said bill be withdrawn.

Mr. Deputy Speaker: Does the hon. member for High Park have leave to move this motion?

Mr. Peters: No, Mr. Speaker.

Order stands.

CABRI PIPE LINES LTD.

The house resumed from Tuesday, December 5, consideration in committee of Bill No. S-16, to incorporate Cabri Pipe Lines Ltd.—Mr. Jorgenson—Mr. Batten in the chair.

On clause 1—*Incorporation.*

The Chairman: Shall clause 1 carry?

Mr. Peters: Mr. Chairman, this bill might be said to be the twin of another bill that the house considered the other day, though the bills are not related. When this matter was being discussed in the house previously the hon. member for Skeena and other hon. members of this party objected to the wording of the bill. The company seeking incorporation has sought powers to carry on activities which are wholly beyond its means. As I understand it, the company specifically wishes to build a pipe line between Lloydminster and a storage point in Saskatchewan. In addition to seeking power to build such a pipe line the company, through clause 6 of the bill, seeks the power to carry on a great

many other activities. A great many of the powers that are being sought are not needed and I hope that the company will see fit to withdraw its request for some of these powers if it wishes this bill to receive favourable consideration by this house.

I am sure that the sponsor of the bill will agree that a radar chain is very expensive to build and that the $4 million capitalization of this company will not cover the cost of such a chain. I am sure that the company's money will not be enough to cover the construction of one microwave tower. Certainly the company will not build an airport and it will not buy aircraft for that airport. It cannot provide its aircraft with an adequate communications system. In short, Mr. Chairman, by being asked to accede to these powers which are listed in clause 6 members of parliament are being made to look like damn fools. The company obviously will not undertake everything that it seeks power to undertake under clause 6.

I have asked officials of the Senate if they can correct what is becoming an increasing problem. I am informed that representatives of companies such as this one which wish to become incorporated look at a copy of a bill that has recently been passed and adopt many of the provisions which have been included in such former bills. That, I suggest, has happened in this instance.

It is possible that some day this company will gather, process, refine, treat, transmit, transport, store and deliver gases, liquids and solids or any of them, but I very much doubt that in the foreseeable future the company will wish to bring about the expansion of a four inch pipe line. That is a very small pipe line. Its diameter is about one third of that of the pipe line which is now being laid on Kent street in Ottawa. The municipal authorities are forever laying new pipe lines on Kent street. From personal observation I would say that the pipe line on Kent street is an eight inch or a ten inch pipe line. Certainly such a pipe line would carry three or four times the gas that the pipe line which this company is to build will carry.

One thing is clear, Mr. Chairman. If this company wants to build a four inch pipe line I suggest that it must ask parliament for permission to do so. If they do not ask for that permission they will meet with little success in their application. They must say what they want to do.

Having listened to the hon. member for Provencher who is sponsoring this bill I realize that the idea of transferring gas to dry wells from which it can be drawn during peak consumption periods is a worthy one. The idea makes economic sense and seems to be economically sound. I think the company would be well advised to go ahead with some of the projects it proposes but not with all these projects. In my opinion the company is not capable of developing some of these other projects for which they are seeking approval. I refer among other things to the clause which speaks about facilities for communication, the installation of teletype, microwave or television communication systems, and so on. Possession of these rights would mean that the licences could probably be sold as a step toward setting up a third broadcasting system in Canada. I do not suppose this will happen and I am sure the sponsor of the bill will tell us that the company does not have this in mind. I agree that when a licence is granted to a pipe line company it is advisable for the company to ask for assent to arrangements which would provide for certain types of communication to be carried on in connection with its operations but these, I suggest, would fall outside the Broadcasting Act or the Radio Act.

• (6:10 p.m.)

No one can foresee some of the needs which may develop in connection with pipe lines. It may be possible for pipe lines to be fitted with closed circuit television which will allow for the observation of the progress of packaged capsules within a line. But I am sure that no company would establish a closed circuit television operation in connection with a 20-mile four inch gas line between Lloydminster and a dry well hole. If this is indeed the case, I suggest it is time to clean up the bill before us and remove some of the clauses from it.

It is high time these bills were drafted in such a way as to meet the real needs of the company seeking a charter. The legislation before us does not tell us where the operation will start or where it will end. It does not say what the line will carry or what it is intended it shall carry. It says the line may go across interprovincial boundaries. The bill does not say where. It says the line may go across an international boundary, and the nearest international boundary is a long way from the area in which I suppose this line is to be located. The line may carry gas or it may carry oil. All these eventualities are met by the terms of the bill before us.

Many hon. members are interested in a proposition which is still before the house

in connection with solids pipe lines. Every one will agree, I think, that solids pipe lines constitute a totally new form of communication which is likely to play a major role in years to come in our economy. Yet this company which proposes to build a 20-mile pipe line has asked for the right to carry solids as well.

Nobody seems to object, though in my opinion the company has very little chance of operating a solids pipe line with the amount of capitalization which is suggested here. I believe it is up to parliament to decide whether companies should be granted these valuable rights. In this case, if the company is a bona fide company, as we are led to believe, I think it should at least remove some of the garbage which is contained in the bill presented to us. I note that the sponsor did not rise here today to tell us he has been in touch with representatives of the company and that they are prepared to have removed from the bill some of the powers they obviously are not likely to use.

What does this company intend to do with a railroad? I am sure the sponsor of the bill will tell us that to his knowledge it does not intend to build one. I believe he would also tell us that to the best of his knowledge it does not intend to build a townsite, or go into the housing business, or buy and lease land, or do all the other things we are being asked to sanction.

If all our legislation were cluttered up with the junk which could be accumulated from other departments not directly concerned we would soon build up the greatest bureaucracy that ever existed. This is not how we handle legislation, and I suggest we follow the same principle in connection with legislation proposed by a private company. I lack sufficient knowledge of the law to explain why the lawyers thought fit to put all this stuff in the bill we are now considering. It certainly sounds stupid. We may get around to reading it all yet. Anyone who looks at it carefully would agree it is stupid, bearing in mind that the avowed purpose of the company concerned is to build a gas line four inches in diameter for a distance of 20 miles.

Some of the powers being requested seem altogether unreasonable. Suppose, for example, this company were to decide to enter upon housing development at the edge of Lloydminster. Despite its limited facilities it would no doubt be able to buy land, raise money, subdivide the land into building lots, establish streets with the necessary sewerage and drainage, electric light, telephone communications and all the other facilities needed to operate a townsite. I do not know what the people in Alberta would do. I am not sure what the people in Lloydminster would do, but I would be very surprised if they were pleased with the federal government granting this company the right to do these things, and I presume these powers cover expropriation and other necessary measures in the establishment of a townsite. I doubt very much that the municipal and provincial governments will agree with this proposition.

• (6:20 p.m.)

It is interesting to look at the names of the directors as given in the bill. They include a petroleum executive, a second petroleum executive, a third petroleum executive, a chartered accountant and a solicitor. I suggest that each of these will not be going into the housing development business. I suggest it is probable they will not set up a telecommunications agency or undertake many of the other things mentioned in the bill.

I ask the sponsor of the bill, why does the company want all these powers? In his evidence to the committee the solicitor for the company said that his clients might want to expand. Their pipe line might run across an international boundary but I understand such a boundary is 300 miles away. The company has no reason to build such a pipe line now, but it might. Certainly everything is possible, Mr. Chairman, but usually it is not very likely. I suggest that the likelihood of these people using the powers granted to them in this bill is in the realm of possibility but not likely in the realm of feasibility, advisability or probability.

I think a matter such as this should be of great concern to all hon. members. Such concern on the part of all members is not usually shown just because one person says it should be shown. But I find that after the general public decides something should be done about a situation and members read the public's comments, they change their approach and become concerned. I suggest that many of these powers in bills such as this are drafted simply because a company lawyer says, "I do not want to overlook anything and it is better to be safe than sorry." There would be no objection to this bill if the company simply said it wanted to build a 20-mile pipe line. It should specify exactly what feasible plans it has for further expansion, and in that case there would be little opposition to the bill.

I was impressed with the comments made by the sponsor of the bill. I was also impressed with the proceedings before the committee. I think everyone agrees that the project which this company has decided upon warrants support. From the company's point of view I suppose it is unfortunate that its pipe line will cross a provincial boundary. Had it not, the company could have gone ahead and built its 20-mile line. It might also have expanded to another well five or ten miles away.

In such a case the company could have justified its expansion program before the Alberta oil board, conservation board, or whatever the name of the provincial agency may be. I understand the provincial board is very strict in its regulations covering gas and oil and that it performs its job efficiently and effectively. I suggest that members of that board would have been very shocked if they found a company appearing before them, one to which they had already granted several charters under other names, asking for permission to build a railroad and establish a town. I suggest that members of the board would be very surprised if they were told the company wanted the right to manufacture electricity and undertake all the various ancillary operations mentioned in this bill. I think there are only three or four companies in Canada which have distribution systems and gas producing wells—

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Jorgenson: Mr. Chairman, since the hon. member has raised a few questions concerning the activities of this company I feel I should reply briefly to some of the points he has raised. I gather that the burden of the criticism and the opposition of the N.D.P. respecting this bill and others of its nature rests on the fact that companies are applying for powers which to the N.D.P. appear to be in excess of their immediate requirements. Without pretending to be an expert in the oil exploration, discovery and refining business, I should like to point out to the hon. member that the nature of the oil business is such that a company really does not know to what extent is must become involved in other ventures in order to provide the type of service it is necessary for it to provide if it is to operate on an economically sound basis.

I point out to the hon. member, as I indicated in my remarks when introducing the bill and as was later substantiated by the witnesses who appeared before the standing committee, that in the initial stages the company intends to ask the National Energy Board for permission to construct this pipe line, but the other powers are being sought because they are the normal powers that could be required depending upon discoveries of oil or gas, the location of the area where they wish to extract oil, and various other factors involved in the production and distribution of gas and oil.

For example, it is quite common for pipe line companies to have their own communications systems and to build air strips so that they have accessibility to the various stations along pipe lines. But in each one of these cases they must apply for permission to the National Energy Board, whose members have the best technical knowledge and information to determine whether the right to build an air strip should be granted. Such companies have to conform to the regulations under the Aeronautics Act and under the Radio Act, but they do not do any broadcasting other than what is required to carry out their own operations. In addition to this the oil and gas conservation boards of the provinces are required to give their consent as well. So although the powers which are being sought here appear to be quite broad, in effect, before any operations can be initiated these companies must appear before the National Energy Board and before the oil and gas conservation boards of the provinces in order to obtain permission. Therefore, I feel that this is where the real safeguard should be, because these are the people who are in a position to determine whether a particular project is feasible.

• (6:30 p.m.)

The hon. gentleman suggested that these conservation boards and provincial governments would be shocked if they were to learn of the powers this company is seeking through this charter. May I suggest to him that the conservation boards would be shocked if these powers were not there because that would mean that the company would be incapable of providing the type of service that would be necessary in order to operate their lines effectively. So long as these powers are contained in their charter the energy board can determine whether or not the operation is one which should be licensed to go into these other fields of operation.

It is for this reason the company is seeking broad powers. This is not unusual in these cases, because it is assumed that the members know full well that before licences can be granted the company must first appear before the National Energy Board and the oil and gas conservation boards of the provincial governments, which are provincial bodies set up for the purpose of examining applications of this nature.

Mr. Barnett: Mr. Chairman, I have listened as attentively as I could to the remarks of the sponsor of this bill. He said he could not claim to be an expert in the oil and gas exploration and producing business. I certainly do not lay any such claim, so far as my own knowledge or experience is concerned. I do know, however, that the bill we have before us has to do with a transportation system; at least this is what the title says and this is what the hon. member sponsoring the bill said it was when he introduced the bill. I think it is in respect of that aspect of the matter that some of us are concerned.

I might perhaps draw to the attention of members of the committee that when we were considering this bill earlier my colleague, the hon. member for Skeena, made a point of suggesting, and securing from the house at that time the undertaking that this bill should retain its position on the order paper. I think, from that action on his part coupled with some of the remarks he made during the course of the discussions in the committee stage, it should be apparent to the committee that so far as any of us sitting in this part of the house are concerned we are not desirous of impeding the construction of a necessary facility for the transportation and storage of fuel in the area outlined by the hon. member when he introduced the bill.

I realize, when the hon. member says that the bill is in the normal or usual form, that perhaps he has some precedents in mind. This parliament has approved a great many bills in form similar to this. However, I believe that this is just the point; we believe it is time that this parliament took a good look at whether or not this is the proper form for bills of this nature, or whether we should take steps to make it clear that we wish to have proposals of this nature put forward in a different form, and in a form which some of us think would be much more sensible and rational. It is to that point that I should like to address myself today.

When I was discussing this matter earlier I endeavoured to draw some parallel between what has been happening in recent years in the development of pipe lines for the transportation of various commodities, principally petroleum, to what happened in an earlier era in our history in the field of railroad transportation. Some similar suggestions were drawn to the attention of the house by my colleague the hon. member for Nanaimo-Cowichan-The Islands. He referred to the fact that at a certain stage in our history we were left with a conglomeration of railroads. The Canadian National Railways was formed by the coupling together of a number of uneconomical lines, and the taxpayers were faced with the burden of financing them.

There is a very real question in my mind as to whether in the future this parliament and the people of Canada will be faced with a situation where some of these companies which have been granted certain broad powers under charters—and the hon. member sponsoring this bill did not seek to deny that these powers are broad—will in effect attempt to cash in on a capital gain of substantial proportions, simply because they have a piece of paper which this parliament has granted them in the form of a charter.

I am old enough to recall some of the tail ends of the sad era of the railroad building boom in this country. I recall some of the views expressed in this house during the period following the end of the first world war, during the 1920's and during the economic situation which faced the country as a result of the recession in the 1930's. I believe it is a matter of legitimate concern that, if we can, we should take steps to prevent, a situation in the future facing the country in respect of the transportion of commodities by pipe line similar to that which developed in an earlier era in respect of the railroads.

I recall a bill which was dealt with a number of sessions ago and its passage through the house. It will be found in chapter 54 the Statutes of Canada for 1956. This act is entitled "An Act respecting Canadian Pacific Railway Company," and it was an attempt, so far as parliament was concerned, to rationalize something that happened in an earlier era, when apparently parliament was willing to grant railway charters almost willy-nilly, on request. This is very relevant to the present subject, in view of the powers for which this company is asking. May I recite to the committee what parliament was asked to do in that bill assented to on June 7, 1956.

Mr. Nugent: Mr. Chairman, would the hon. member permit a question?

Mr. Barnett: Yes.

Mr. Nugent: The hon. member suggested that this charter would perhaps be something from which the company could make a capital gain. Would he agree that this could only be the case after the company had appeared before the National Energy Board and the energy boards of both provinces and had proven that its plans were economically viable and feasible? Then after the company has gone to all that trouble and obtained permission to operate, is this not the sort of thing we want to encourage, rather than worry about the possibility of their selling off the rights?

• (6:40 p.m.)

Mr. Barnett: I am not in any way trying to disregard the position of the National Energy Board in this context, but I would refer the hon. member to clause 6 of the bill, which says in part:

> The company, subject to the provisions of any general legislation relating to pipe lines enacted by parliament may—

It then goes on to refer to construction, purchase, lease or otherwise to acquire and hold, develop, operate, maintain, lease, mortgage, hypothecate, create liens or other security upon, sell, convey or otherwise dispose of these assets. Perhaps I am wrong in my understanding of what that means but I am perfectly aware that if this or any other company wants to enter into a specific proposal for construction they must get the approval of the National Energy Board. As far as I know the National Energy Board has no control over the sale or transfer of property which may take place. What we will be doing is giving these companies the power to trade with one another. This is the kind of thing I am referring to. In the course of time there might be a very inflated value placed upon doubtful assets, because of various sales and other financial transactions.

Sooner or later the cost of all these transactions will be placed upon the users of petroleum products, just as the high cost of transportation in this country has been placed upon the users of the railways, because of uneconomic moves in the past. This is the kind of thing I think should be of concern to us.

The measure to which I referred, respecting The Canadian Pacific Railway Company, stated in its preamble:

> Whereas Canadian Pacific Railway Company, The Campbellford, Lake Ontario and Western Railway Company, the Columbia and Kootenay Railway and Navigation Company, The Fort William Terminal Railway and Bridge Company, The Georgian Bay and Seaboard Railway Company, The Guelph and Goderich Railway Company, the Interprovincial and James Bay Railway Company, The Kettle Valley Railway Company, The Kootenay Central Railway Company, The Midland Simcoe Railway Company, La Compagnie du Chemin de Fer de Colonisation du Nord, The South Ontario Pacific Railway Company, The Vancouver and Lulu Island Railway Company and The Walkerton and Lucknow Railway Company have by their joint petition prayed that it be enacted as hereinafter set forth—

Then section 2 of the Canadian Pacific measure sets these companies out again, and indicates that they have all been amalgamated into the Canadian Pacific Railway Company. It does seem to me that if one were to follow through the processes that have taken place, under which the Canadian Pacific Railway acquired the charters of the companies I listed, he would find that the company came back to this parliament to ask that we in effect undo what earlier parliaments had done. That being the case, there might be some greater cause for considering the points I am trying to raise by the hon. member who asked the question.

I should like to suggest to the committee a parallel situation in relation to the kinds of bills which are passed by this parliament, so far as pipe line companies are concerned. Perhaps a bill along the following lines might be much more logical or acceptable, because it so happens that chapter 54—

Mr. Nugent: Mr. Chairman, I rise on a point of order. I do not see how there is anything in the preamble read by the hon. member that is relevant to this bill. I cannot see how this argument is relevant. Certainly if the N.D.P. wants to stop a Canadian company from being formed by talking this bill out, so the company cannot be formed this winter and provide work necessary to those people who want to build the line, there is not much we can do about it; but I think members of that party should play the game properly. If it is their intention to keep this Canadian company from being formed so that it cannot proceed with a necessary project out west, then I think the hon. member—

Mr. Barnett: On the point raised, let me say that I feel the objections we have raised

relate to the form of this bill. We have stated some reasons for thinking that the bill is objectionable as it stands. It seems quite relevant to suggest a positive way of designing the bill, which might be in an acceptable form. I have referred to one which has to do with transportation, although in different form. In my view this reference is quite relevant to the points I have raised. The measure to which I have referred was assented to on June 7, 1966 and is contained in chapter 54 of the statutes of that year.

The preamble reads as follows:

> Whereas Canadian Pacific Railway Company has by its petition prayed for the passing of an act authorizing it to construct a certain line of railway, as hereinafter set forth, and it is expedient to grant the prayer of the petition—

Mr. Nugent: Mr. Speaker, I rise on a point of order. I should like you to rule on the question I raised.

Mr. Barnett: I rise on a question of privilege.

Mr. Nugent: There has been no suggestion as to what is wrong with the form of this bill. The hon. member simply wants to read us this act, as a way of passing time. If the member has any logical or reasonable questions about the bill, I am sure the sponsor or myself could answer. I would be glad to answer any specific objection to the form.

Mr. Barnett: Mr. Chairman, I rise on a question of privilege. I object to the hon. member imputing motives and suggesting that I am simply talking to waste his time and mine. I think that no hon. member has the right to make a suggestion of that kind in this house.

The Chairman: I suggest to the hon. member that it does appear to the Chair that his remarks are slightly outside the confines of clause 1 of Bill S-16. Perhaps the committee would make better progress if hon. members confined their remarks to the clause, although I realize that a general discussion is permissible on clause 1. Perhaps the hon. member will continue.

Mr. Barnett: Mr. Chairman, the act to which I have just referred—and I will not continue reading the preamble in deference to the hon. member's sensitivities—would allow the Canadian Pacific Railway Company to construct a line of railway. The point I am trying to make is that if the company referred to in the bill now before the committee were prepared to put forward a proposal in the form in which the Canadian Pacific measure was put forward, and indeed in the form in which the member sponsoring the bill suggested, this would be a much more simple and straightforward proposition. The bill in its present form has been described by my colleague, the hon. member for Timiskaming, in his colourful manner, as containing a lot of garbage.

The Canadian Pacific Railway was authorized by parliament to construct a line of railway from a point on its line of railway at or in the vicinity of Brocket in the province of Alberta, thence in a generally southerly direction for a distance of approximately 20 miles to a point in township 4, range 29, west of the fourth meridian in the province of Alberta. Section 2 of this Canadian Pacific measure states:

> If the construction of the said line of railway is not commenced within a period of two years, or if it is not completed and put in operation within a period of five years after the passing of this act, the powers of construction hereby conferred upon the company shall cease and be null and void as regards so much of the said line of railway as shall then remain uncompleted.

It just happens that this is the same area where this company wants to build a 20 mile pipe line. If the company came to parliament and asked for incorporation, subject to the approval of the National Energy Board, to construct the line with the necessary appurtenances and said that if they did not fulfil this within a period of a reasonable number of years their powers would lapse, I would suggest we would have a much more realistic proposition before us.

• (6:50 p.m.)

We object to parliament being called upon year after year to give these broad charter powers to an apparently ever increasing number of concerns without any regard to a logical pattern. We are concerned that one of these days we or our successors in parliament may be faced with the kind of situation which parliaments in the 1920's were called upon to deal with in respect of railway transportation. It seems to me—

Mr. Nugent: Mr. Chairman, would the hon. member accept another question?

Mr. Barnett: Yes.

Mr. Nugent: I am not sure that I understood his point. It seemed to me that he was suggesting we should go back to the system that we had before we set up the National Energy Board, so it would take the load off

this house. Is that what the hon. member is suggesting? Is he suggesting that we repeal the legislation setting up the National Energy Board and go back to the old system?

Mr. Barnett: I did not try to suggest that this bill was exactly parallel. It might very well be that something in between what is in this bill and that particular railway bill might be desirable. I am suggesting that we are granting a multiplicity of these firms powers beyond all reason.

Mr. Jorgenson: Mr. Chairman, may I ask the hon. member a question?

Mr. Barnett: Yes.

Mr. Jorgenson: The hon. member seems to object to this type of company coming before the house and asking for a charter which has broad powers. He is suggesting that each time such a company wants to build an extra five miles of pipe line it should come back to this house for permission to do so. If that were the case, would it not increase the number of times we would have to consider bills of this nature?

Mr. Barnett: As I understood the hon. member when outlining the company's immediate plans, it had in mind building a particular 20 miles of line. I am not suggesting that the bill should necessarily be couched in those precise terms, as are bills in connection with railway expansion.

Mr. Jorgenson: Does the hon. member honestly believe there is a comparison between the oil exploration business and the building of a railway line between point A and point B?

The Chairman: Order. I must advise the hon. member for Comox-Alberni that the time allotted to him has expired.

Mr. Peters: Mr. Chairman, I am very surprised at the interventions which have been made—

Mr. Schreyer: Mr. Chairman, I wonder whether it would be in order to put to the hon. member for Provencher a question having to do with the subject of his last question?

Mr. Jorgenson: Certainly.

Mr. Schreyer: If it would be in order, Mr. Chairman, for the sake of clarification I should like to ask the hon. member for Provencher this question. Even if one accepts in large part his premise that in the oil exploration and development business it is not possible, as it is in transportation matters, to be specific with regard to locality, is it not feasible and reasonable at least to stipulate the region within which the company seeking a charter shall operate? One need not specify a locale, but would it not be reasonable to specify a region?

Mr. Jorgenson: I suppose it would, Mr. Chairman, if we were competent enough in this field to determine just where pipe-lines were required, but since parliament has set up a body, the National Energy Board, to take the burden of responsibility off members of parliament, it seems to me they are the proper people to make the decision as to where pipe lines could or should be built, and what facilities should be permitted in connection with the gas distribution business.

Mr. Peters: Mr. Chairman, the point just made by the hon. member would be a good one if it applied in this case. In my opinion that is not the role of the energy board, and I am sure the board would agree that it is not. I am sure the National Energy Board will not grant the company the right to build houses, to broadcast, to build a railway; but we are being asked to grant the company the power to do all these things.

There are, I am sure, ancillary services in the telecommunications system which would be useful to the company. I am quite sure that 20 miles away it would be useful to have a telephone, and perhaps a private exchange. Telecommunications, testers and devices of that nature would probably be useful to the company in its exploration work. But there is another problem in this connection. For tax purposes we ask the company to declare its capitalization. This company is asking for powers that I do not think even Trans-Canada Pipe Lines has. As you know, Mr. Chairman, that is a fairly large company. It will be discussed in the house shortly when a bill respecting Trans-Canada Pipe Lines comes before us.

I understand that Trans-Canada Pipe Lines has in its capitalization structure 15 million common shares of the par value of $1 each. The company wants to increase the number of common shares to 25 million at $1 each. It will have 5 million preferred shares of the par value of $50 each. The value of the company is decided on the basis of these figures and it will be taxed accordingly. In view of the situation in respect of Trans-Canada Pipe Lines, surely it is being cheated

when compared with Cabri Pipe Lines. I am sure that Trans-Canada Pipe Lines does not have refineries. It does not have a railway line, as far as I know. It does not have the other facilities concerned with the handling of oil which will be granted to Cabri Pipe Lines if this bill is passed. Yet Trans-Canada Pipe Lines has a capitalization of probably—

The Chairman: Order. I must advise the hon. member that the time allotted for private members hour has expired.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for Okanagan-Revelstoke (Mr. Johnston), Company of Young Canadians—reported subsidization of private school in British Columbia; the hon. member for Prince (Mr. MacDonald), Construction of Northumberland strait crossing.

It being seven o'clock, the house will now resume the business interrupted at six o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Batten in the chair.

The Chairman: House again in committee of ways and means. It being seven o'clock, I do now leave the chair.

At seven o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. House in committee of ways and means on a certain proposed resolution to amend the Income Tax Act.

Mr. Lewis: Mr. Chairman, when the committee rose at six o'clock I had been challenged by the minister and some of the members behind him on my suggestion that the minister's budget speech was an indication that he had rejected the Carter report. I was pointing out that all the reports I had read, seen or heard of the minister's budget speech interpreted his speech as meaning that he had ditched, jettisoned or rejected the Carter report. And, Mr. Chairman, all of these reports could not be wrong. In any event I will be referring to the minister's words.

I think it is of significance that Mr. Carter himself appeared on one of the television networks on the evening of the budget speech to say that he took it from the speech of the minister that the minister had rejected his report. I suggest that he also could not be wrong, Mr. Chairman.

The minister and the government clearly have put the report in the waste basket, except perhaps to the extent of including some of the suggestions in the report in the government white paper. Indeed, what the minister said in his speech this afternoon proves that. His attempt now to ditch the report and to hang on to it at the same time in order to have the support of those he is trying to confuse, as well as the support of those who see through the manoeuvre, is just not going to work.

What the minister said, Mr. Chairman, was this. He indicated that there had been four main objections to the report, with which he agreed, drawn to his attention. I would pause here to point out that in effect those four objections deny the acceptance of the report; that is the implication of them. Then the minister went on to say this, as reported at page 4906 of *Hansard*:

> However, the work we have done within the government, as well as the analyses we have received from others, leads us to the conclusion that while the reforms we will place before parliament and the public in the form of a white paper and ultimately in draft legislation will undoubtedly be influenced by the monumental report of the royal commission—

I pause here, Mr. Chairman, to indicate the careful use of the words "undoubtedly be influenced by". I would be very much surprised if the reforms were not influenced by the Carter report. There are many facts in the report about which the minister had no knowledge and they may have some influence upon him. Whether in the right or the wrong direction remains to be seen.

The minister continues his remarks:

> —they will be more in the nature of reforms of the existing tax structure rather than the adoption of a radically different approach.

If those words, Mr. Chairman, do not mean complete rejection of the report, I should like to know what does. Surely the report means nothing at all unless it means a radically

different approach to our system of taxation. It does not necessarily mean the adoption of every point made and every recommendation contained in the report. Nobody who gives advice expects that sort of thing to result. But a radically different approach would mean the acceptance of a basic and fundamental change in the taxation system of Canada.

When the minister says that all he is going to do is to reform the existing tax structure and not adopt a radically different approach, he is rejecting the Carter report, and no amount of shaking of the head on the part of the minister will change that fact. He will not be able to fool anybody that he intends to do anything else. I was always impressed, Mr. Chairman, by something I read many years ago written by a writer in Europe on philosophic subjects, who indicated in one of his books—I could not recall during the recess the title of the book—that the most common weakness of all people is a refusal to consider big ideas because of little objections and little difficulties.

I would suggest that when the minister tries to raise questions about the specific details that may or may not be included in the comprehensive tax base recommended by the Carter commission, he too is guilty of this failing. He is trying to divert the attention of the people of Canada from the importance and validity of the report by raising little objections, and is trying to prevent them from recognizing the really great ideas in the report by introducing little prejudices in one direction or another.

I would suggest—and I do not say this offensively—that this is a shabby way to deal with a monumental report, as the minister described it. It is a report which took four and a half years to compile and cost many millions of dollars to produce, using in the process some of the best taxation brains in the country.

As a matter of fact. Mr. Chairman, the commissioners themselves foresaw this situation. I went back to the report to refresh my memory about something that was said on this matter, and I should like to quote a fairly lengthy passage from page two of the first volume, where they say this:

> We are fully aware that these conclusions constitute a severe criticism of the present tax system. They were not arrived at lightly nor are they the inevitable result of preconceived opinions. Our bias when we began our task was that the present system was basically sound and compared favourably with the systems of other countries. While we are still of the opinion that the present Canadian tax system is as good as most other systems, we are convinced that it falls far short of the attainable objectives. We therefore recommend many fundamental changes which, if adopted, would produce a complete transformation and, we believe, result in greater equity and efficiency.
>
> We hope Canadians will accept the challenge implicit in our recommendations. And there can be no doubt that our recommendations constitute a great challenge. Preconceived opinions about taxation are deeply and firmly held. Many will find it extremely difficult to take a new look at old questions. Because some facts cannot be readily ascertained, honest differences of opinion are inevitable.

Then this is the sentence I want to draw to the attention of the committee, Mr. Chairman:

> There is a danger that the debate about these minor factual questions will divert attention from the major issues.

This, Mr. Chairman, is exactly what the minister has tried to do with the Carter report. He has tried to focus attention on minor factual questions and thereby attempt to divert attention from the major issues with which the report deals. I therefore feel confident to repeat, Mr. Chairman, that the statement that the minister has jettisoned the Carter report is a correct and accurate statement, and the minister cannot get out of that situation. Whether or not the reforms of the minister will be adequate from another point of view and whether or not they will be acceptable remains, of course, to be seen when he brings them before parliament.

• (8:10 p.m.)

The minister denied that his budget was intended to increase unemployment. He did not answer this charge directly, and in order not to answer it directly he did what I suppose we all do, Mr. Chairman: He diverted our attention to the United Kingdom. He was ignoring the point by drawing the attention of the members of my party, who proudly have associations with members of the Labour government in Britain, to the fact that that government has pursued policies intended to deflate the economy, with the result of very massive additions to their unemployment rate.

I have only three things to say about that, Mr. Chairman. First, we are not bound, as a party, and we do not intend ever to be bound, by the policies of any other party anywhere else, whether in Canada or elsewhere. I have very grave doubts myself as to whether, if I were in Britain, I would be in entire agreement with the policies there pursued. What is much more important, and

what I suggest to the members of the committee questions the relevance if not the honesty of the comparison, is that the minister knows quite well that to compare the problems facing the United Kingdom to the problems facing Canada is to do something that on any basis is not permissible.

They are faced in that country with problems of industrial development, modernization, monetary problems and the fact that sterling is a reserve currency, with all that flows from that. They are different from Canadian problems not merely in degree but in kind. To try to compare what is happening there with what is happening here is surely intellectually a thoroughly impermissible thing to do. Surely, Mr. Chairman, the minister cannot change the effect of his budget by merely pointing to the fact that it was done over there. I remember that the late Mr. G. D. H. Cole, from whom I had the good fortune to learn some things about economics when I attended a university in England some years ago, wrote a little play dealing with the general strike of 1926 in that country. One of the characters in the play was accused by the prime minister of Great Britain of having fomented trouble, a march on 10 Downing street. This character who was thus accused said, "Who, me? No, it's him that did it." Well the minister cannot do that. He cannot say, "Who, me? I did not do anything about unemployment, but Harold Wilson or James Callaghan or whoever it is in Great Britain did."

He is not going to persuade anybody with any intelligence he is dealing with the problem at all when he makes that kind of diverting statement. The fact is the increase in income tax is intended to reduce aggregate demand. The fact is that this increase in income tax, when coupled with other tax increases and coupled, as he and the Minister of National Revenue claim, with massive retrenchment, particularly in the field of construction with its multiplier effect, will necessarily result in increased unemployment. Since I give the minister credit for sufficient intelligence to know that result will follow, I must assume he intended that result. The result will not be accidental.

He and his advisers know greater unemployment will inevitably follow the policies announced in his budget. Since they know unemployment will follow these policies, then they must be assumed to deliberately intend increasing the rate of unemployment in Canada. Again I say you have to study the minister's statement carefully, as I did. When he said, "Read my words about the Carter report", he was very careful not to say that he accepted the report. He criticized those of us who said he had ditched it, but at no point in his answer did he say "I accept it" or "I accept the principles of it" or "I accept some of the principles in it". He was very careful not to commit himself.

When he dealt with the charge that he was going deliberately to create increased unemployment, he pointed to the British government. Nowhere in the statement which he made, even this afternoon, did he deny that the result of budget policies will be increased unemployment. In my opinion, the result will inevitably be increased unemployment. He was very careful not to say it. He was very careful not to say to this committee or to the country that in his opinion his budget will not increase unemployment in Canada. I challenge him to rise to his feet now and say just that. If he denies the charge which we make after studying his budget, that the results of these policies will be increased unemployment, then he ought to have the courage to get to his feet and say, "In my opinion unemployment will not increase in this country as a result of these policies". He was very careful not to state that. What he did say in his main speech on November 30, as reported on page 4905 of *Hansard*—and in more than one place, but the quotation of one short phrase will be enough to make the point:

> The fiscal restraints that are essential now may limit somewhat the increase in our production next year but such a limitation now is far better than a serious recession later.

What in heaven's name do the words, "may limit somewhat the increase in our production next year", mean if they do not mean that he knows the results of the budget policies will be a decrease in the rate of growth in this country, and a decreasing rate of growth will necessarily mean increasing unemployment in this country? What does that carefully chosen gobbledegook which I have just quoted from page 4905 of *Hansard* mean if it does not mean increased unemployment? The minister says that will be the result of his budgetary policy.

As I have said two or three times, there has been a rather puerile attempt to divert us from discussing this serious result of his budget in Canada by trying to twit members of my party with the fact the British government is pursuing a certain policy. This will not hide the fact the minister is pursuing a deliberate policy of unemployment. I will be

happy to be proven wrong if this does not happen, as will every other member in the opposition who shares this view. If I remember correctly, the Leader of the Opposition reached the same conclusion on this point in the budget speech, and I am sure the Leader of the Opposition would be as happy as I and my colleagues would be if we were proven wrong and the minister were proven right.

No one looks forward to even a small increase in unemployment at any time with anything but horror in a country like Canada. I am forced to come to the conclusion, however, after careful study of the minister's policies, that increased unemployment is the inevitable result of these budgetary policies. When that increase in unemployment occurs in the next months the people of Canada will know, and I hope they will for a long time remember, that the gentlemen on the treasury benches deliberately induced that increased unemployment to deal with a situation which might have been dealt with in many other ways.

I know, as I have said, the minister has rejected the Carter report. However, since he said that he will be influenced by it I commend to him the following sentence on page 28 of volume 2 of the report where the commission deals with the kind of inflationary situation we have:

> Certainly what is needed is a policy that strikes at those responsible for the inflation rather than a policy that represses aggregate demand and eliminates the inflation only by generating unemployment and general idle capacity.

• (8:20 p.m.)

This is what the budget is intended to do, generate unemployment and idle capacity, in the hope that that will eliminate the inflation that this country is faced with. The budget, instead, should deal with the forces that are responsible for the present inflationary pressures. I therefore say on behalf of my colleagues, and on my own behalf, that nothing the minister has said can possibly evade the facts, and they are facts, which say that this resolution with respect to income tax is unfair. The burden will fall on the ordinary people of Canada. The tax is not necessary since it does not raise any additional revenue worth anything at all in terms of the total budget. It is deliberately intended to produce unemployment, and in that respect it is antisocial and inhuman.

This totally unfair and unnecessary budget is one of the crosses that the Minister of Finance, who impresses one with his competence and intelligence, will have to carry in an attempt to achieve certain heights which have now apparently become achievable.

[Mr. Lewis.]

Some hon. Members: Oh, oh.

The Chairman: Shall the resolution carry?

Mrs. MacInnis (Vancouver-Kingsway): Before this resolution carries I wish to enter a word of protest on behalf of the married women of this country. I am concerned about the way that the income tax increase affects an especially large group in this country, the women of this country who must work outside their homes.

On previous occasions I have asked whether it would be possible to enact provisions which would allow our working women to deduct from their taxable income expenses which are incurred in connection with the care of their children. While our women are at work someone must look after their children. Since businessmen are allowed deductions with respect to business expenses, could not our working mothers be allowed deductions with respect to the expenses they incur for the care of the children. In the 5 per cent income tax surcharge a special provision is made for our well to do people. The greatest amount that our well to do persons will be asked to pay in addition to their normal income tax is $600.

I urge the minister to give special consideration to the needs of our working women.

I wish that the minister would give me the courtesy of paying attention, because I am speaking for a large group of women in this country.

Mr. Lambert: The minister makes no comment.

Mrs. MacInnis (Vancouver-Kingsway): The Ontario department of labour the other day published a survey which shows that one out of every three workers in Ontario, is a female. In 1941, on the other hand, only one married woman in 20 worked. Today, one married woman out of every four holds down a job outside her home, and a great percentage of these women are in the province of Ontario.

This dramatic rise in the number of women who are employed outside the home can be attributed to the fact that more mothers these days are leaving the home for the office. The more educated a woman is, the greater is the probability that she will work full time after she is married. I wish the

minister would listen. In fact, I shall pause in my remarks until I have his attention.

An hon. Member: Please.

Mrs. MacInnis (Vancouver-Kingsway): Half the working wives in the province of Ontario have children who are under 15 years of age. That represents 40 per cent of the women who work outside their homes. If half the working wives in Ontario have children who are under 15 years old, it is high time that consideration be given to allowing child care expenses to be deducted from taxable income in computing income tax. Surely, if businessmen are allowed expense accounts and deductions with respect to business expenses, there is merit in allowing the working wives in this country to deduct from their taxable income the expenses they incur in connection with child care. That makes more sense than increasing the income tax burden for those women who already have a difficult enough time in making arrangements day after day for the care of their families.

Many people brush working wives off with the remark, "These women are just out to get a bit of pin money." Nevertheless, many married women in this country are working and the time for income tax reforms is long overdue. I submit that the minister should give consideration to allowing our working wives a tax rebate. They badly need the money that would be rebated from their income tax to pay for the care of their children.

Mr. Sharp: Mr. Chairman, I can assure the hon. lady that these kinds of matters are precisely the kinds of tax reforms that the Carter commission was concerned about. They are the kinds of matters that we are examining in the proposals with regard to tax reform that we will be bringing before the house.

When I was listening to the hon. member for York South answering my reply to him, I thought I would not continue the discussion because my remarks might tempt him to reply once more. I have two or three things to say about the Carter commission report which I hope will complete the discussion of it. My remarks bear on the attitude that the hon. member has displayed toward the report. He still persists in the view that he and his party are supporting every part of the Carter commission report. May I draw to his attention what was said by one of his colleagues, the hon. member for Skeena. I had forgotten the exact words that were used, but I remember being struck by the fact that the hon. member for Skeena should be the first member in the house to enter a protest against the Carter commission report. His words may be found on page 15 of *Hansard* for May 9, where he said:

> I should like to direct my question to the Minister of Finance. In view of the disastrous effects of the Carter commission report on the mining industry, particularly in British Columbia, will the minister be making an announcement soon regarding the government's intentions in respect of that aspect of the commission report relating to taxation of mining companies?

I have not heard anywhere in the country, during any of the representations which have been made to me, words more damning of the Carter commission report so far as the taxation of the mining industry is concerned than the words, "in view of the disastrous effects of the Carter commission report on the mining industry".

Mr. Lewis: Nor have I.

Mr. Sharp: I have raised this question because I believe that this kind of lip service to Carter, while holding reservations on essential points in the Carter commission report, is not the sort of attitude that my hon. friend would wish his party to adopt.

Mr. Lewis: May I ask the minister a question. Can he quote from the leader of this party or from the financial critic of this party words that contain any such reservation or qualification? The minister is indulging in his diverting tactics. I suggest that nowhere in the remarks of the leader of this party, in the remarks of its financial critic, or in my remarks, as one of the spokesmen of this party in this field, will the minister find words which contain any such reservations.

Mr. Sharp: Mr. Chairman, I cannot say in this respect who speaks for the N.D.P.

Mr. Lewis: Come now, come now.

Mr. Sharp: I should have thought that the hon. member for Skeena in this respect was speaking for an industry that was in his own area. He has a particular interest in that industry. He spoke about that industry with greater authority than the hon. member for Burnaby-Coquitlam could have spoken, since the hon. member for Burnaby-Coquitlam does not happen to have any mines in his constituency.

Mr. Lewis: How nice the minister is. The hon. member was asking a question on his own behalf, and not for the party.

Mr. Sharp: Well, now, let me ask whether the hon. member for Nanaimo-Cowichan-The Islands speaks for the party when he speaks about the taxation of disability pensions. Does the hon. member for Kootenay West speak for the party when he raises some of his questions.

Mr. Orlikow: May I ask the minister a question?

Mr. Sharp: And what about the hon. member for York South? For a moment I was not sure on which side of the question he stood.

Mr. Orlikow: May I ask the minister a question. When the hon. member for York East yesterday made some interesting observations on taxation with respect to the Carter commission, was he speaking for the Liberal party?

Mr. Lewis: And what about the hon. member for York-Humber?

• (8:30 p.m.)

Mr. Sharp: When I made my statement on the budget it carried the full approval of the cabinet, and that is all I said.

Some hon. Members: Hear, hear.

Mr. Sharp: May I ask the hon. member for York South, since he seems to believe that the recommendations of the Carter commission should be followed—I do not know whether he says without question, as does the hon. member for Nanaimo-Cowichan-The Islands, or whether he simply agrees in principle—whether he agrees with the principle of the comprehensive tax base? If he does, this means that he would tax sons who inherit farms from their fathers at the full personal rates the proceeds from the inheritance. The strongest protests I have received about the report is that while the principle may be all very well, this is extremely unfair and would cause grave disruption. What the hon. member is saying is that he agrees that it is desirable to tax those inheritances at the full rate.

The Chairman: The hon. member for Kamloops on a point of order.

Mr. Fulton: I am not rising on a point of order; I wish to make a contribution to the debate. I love to see the two socialist parties in the house having a fight and I can understand the temptation of the minister to make campaign speeches.

An hon. Member: What about yourself?

[Mr. Lewis.]

Mr. Fulton: But I would think that the minister would prefer to get along with the business before us. I raise the question of the relevancy of the general subject of the Carter report to a proposal to place a surcharge of 5 per cent on the income tax. Why not get on with the business, instead of pursuing a general debate on the work of the Carter commission? Such a debate could have taken place on the budget motion, but it is irrelevant at this time, it seems to me.

Mr. Sharp: As you well know, Mr. Chairman, we were discussing the income tax resolution when some general speeches were made by members of the New Democratic party, and I felt it was incumbent on me to reply to some of their general contentions. I would have preferred not to undertake this general discussion, but since the Chair permitted those speeches of a general nature it seemed to me I should be permitted to reply to them.

Mr. Lewis: On the point raised by the hon. member for Kamloops, if my memory serves me correctly—and I say this in a sense of fun rather than by way of criticism—the general discussion on the Carter report was begun by the hon. member's colleague, the hon. member for Edmonton West.

The Minister of Finance asked a question a moment ago and I should like to deal with it briefly. For the record, whether the hon. gentleman is interested or not, our party, last July held a federal convention—

Mr. Fulton: What has that got to do with it?

Mr. Lewis: Just a moment. Wait.

Mr. Bell (Carleton): Stick to the rules.

Mr. Lewis: At that time we adopted a policy of support for the Carter report. It is in line with this policy that I and others in this party have made our comments.

In the second place, we do agree with the idea of a comprehensive tax base. This does not mean that the minister or anyone else, in seeking precise components for inclusion in that base, may not come to the conclusion after listening to representations that a particular part of the recommendations made by the commission might not have to be amended or changed.

Some hon. Members: Oh.

Mr. Lewis: You can say "oh" as long as you like. The principle of a comprehensive

tax base would not be affected by any minor revisions which might have to be made.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I have not had the opportunity to speak on this resolution yet, but I now wish to protest against the tax increase that the Minister of Finance (Mr. Sharp) is asking us to approve today. I object to that increase for several reasons.

The first is that when taxes are increased, usually something is given in return. The resolutions under consideration are designed to increase taxes and do not provide anything in return. On the contrary, works are cancelled, reductions are made, a check of the economic development is sought and, at the same time, taxes are increased. I find this completely unacceptable. If, at least, the people were given something for the additional money extracted from them by force. What they get is a cut in expenditures, fewer work projects, but all the same taxes are being levied. Why? If we are to increase taxes, we should give our people something in return. But this is not what is being done. We raise taxes, but we give nothing; on the contrary, we take something away. So, that is the first reason why I object to this resolution.

The second reason, Mr. Chairman, is that I feel we should be sick and tired of having two governments, one in Ottawa and one in Quebec, one after the other, each in turn, raising our taxes. We are the only nation in the world to be separately taxed by two governments, both of which levy income taxes.

The jurisdictions are really spread around and the same goes for us here.

I admit that Ontario does not have a minister of revenue and that the federal government collects taxes from the citizens in that province and then transfers them to the provincial government. But in Quebec we have two: one provincial minister of revenue and another minister of revenue in Ottawa. That means that we have two ministers of revenue to increase taxes alternately. Of course, we always have increases. When taxes do not go up in Ontario, they go up in Quebec; when not in Quebec, then in Ottawa. That is the system we know. I see some Liberal members from Quebec seem to like that. "Come on with the taxes". They were not called "taxers" for nothing. We had "Jean la taxe" in Quebec; we now have "Sharp the Taxer" in Ottawa, and the Liberal members from Quebec accept that.

I wonder how the Minister of Finance can start his campaign for the leadership of the Liberal party under such bad auspices. In fact, he is starting on the wrong foot, with taxes.

An hon. Member: It is none of your business.

Mr. Grégoire: Can you see that, Mr. Chairman? He is only the minister of taxes. How would he be if he were Prime Minister?

So, Mr. Chairman, I want to protest against these taxes and I even want to move an amendment to the resolution. So I shall ask my good friend, the member for Roberval (Mr. Gauthier) to second the amendment.

Therefore, I move, seconded by the hon. member for Roberval:

That the resolution be amended by deleting clause (1) of the said resolution.

Clause (1) provides that for the year 1968 and subsequent taxation years, income tax shall be increased by 5 per cent. It is called a special surtax. There are all kinds of designations. Sometimes, it is taxes; other times, it is surtaxes, to show the people they are overtaxed.

That is why it is called thus: it adds up to a lot.

• (8:40 p.m.)

Therefore, I suggest, Mr. Chairman, that this resolution be amended by deleting clause 1. Let the government ask anything it wants from the companies, but the people, I think, already pay enough taxes. Therefore, I ask that this part of the resolution which is to increase private income tax be deleted.

The Deputy Chairman: Order. When a resolution is before a committee, a part of it only cannot be amended. An amendment may be considered, however, in respect of the resolution as a whole. For this reason, I must declare that this amendment deleting clause 1 of the said resolution is out of order.

Mr. Grégoire: Mr. Chairman, I understand you to say that to amend a resolution, the amendment must relate to only one part of the resolution; that is what I am doing.

The Deputy Chairman: Order. Does the hon. member for Lapointe want me to repeat the ruling I just made?

Some hon. Members: No.

Mr. Grégoire: Yes, Mr. Chairman.

The Deputy Chairman: I say that it is not possible to amend only part of a resolution but that the resolution as a whole has to be amended. That is the reason why the amendment is not accepted.

[*English*]

Shall the resolution carry?

Resolution agreed to: Yeas, 61; nays, 43.

During the taking of the vote:

Some hon. Members: Out, out.

The Deputy Chairman: Order. I must draw to the attention of the committee that some hon. members entered the chamber when the vote had started, and I would ask them in a gentle way to please withdraw.

Some hon. Members: Out.

After the taking of the vote:

Mr. Fulton: Mr. Chairman, I object to one of the votes cast.

The Deputy Chairman: I declare the resolution adopted.

Mr. Fulton: Mr. Chairman, I request that you would reduce by one the number of yeas which have been recorded, because one hon. member who came into the chamber after you had called the division, nevertheless stood and voted and his vote was counted.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would like also to call to your attention that, in this corner, when you asked members in a given row to sit down, some of them remained standing and voted with the next row so that they voted twice. I was beside them, Mr. Chairman, and I saw them remain standing after you had told them to sit down.

I protest against the fact that some members voted twice.

Some hon. Members: Name them.

[*English*]

The Deputy Chairman: Order. On this question of members coming in and going out and who could be in and who could be out, I wish to say I do my very best to see the north, south, east and west sides of the chamber. I made an appeal to certain members who had entered the chamber after the proposition had been put before the house, and I did not see any other member who came in after that.

[Mr. Grégoire.]

Mr. Cashin: Mr. Chairman, I voted because I was of the opinion, rightly or wrongly, that I was in the chamber at the time the vote was called. I do not think, Mr. Chairman, I need any lectures from the eminent and distinguished member for Kamloops—

Mr. Bell (Carleton): You need a great many of them.

Mr. Cashin: This is a matter of judgment. While I respect his opinion in these matters I trust he will allow me the privilege of deciding myself, in my own judgment, whether I was in the chamber or not. Nevertheless I thank him for his gratuitous advice.

Mr. Fulton: Mr. Chairman, since the hon. member in question has now identified himself—although I gave him the courtesy of not identifying him—and has attacked me, I think I should be allowed to develop my point. My point is that the rule must be applied equally and equitably to all hon. members. Your Honour ordered, or suggested to members who came in after you had called the division, that they retire from the chamber. There were a number of such members. At least three on this side accordingly retired from the chamber. The hon. member, upon whom my eyes were focussed because I was looking towards the curtains on our side to see whether our members would come in on time or not—I was looking at that spot—came in from behind those curtains after Your Honour had called the division and while the "yeas" were standing. My colleagues over here, several of whom were also looking there, will confirm this.

Mr. Deachman: On a point of order—

Mr. Fulton: The hon. member did not see fit to withdraw when you invited those who came in late do do so—

Mr. Deachman: Mr. Chairman, on a point of order—

Some hon. Members: Oh, oh.

The Deputy Chairman: Order. The hon. member for Kamloops has the floor.

• (8:50 p.m.)

Mr. Fulton: Now, sir, my only request when the vote was concluded was that you would order a reduction by one in the number of those who had voted in the affirmative. I know it will not make any difference in the over-all result. My only interest is that the rule which you yourself properly invoked

should be applied with equal force to all members. This was my only purpose in raising the matter. It was not my intention to give offence to the hon. member because I did not identify him; he has done that for himself. He has chosen to identify himself. I said that in my considered opinion he was in violation of the rules of the house.

Mr. Cashin: Mr. Chairman, the reason I rose in my place is that the hon. gentleman did not identify me, although he did turn and speak to me across the house. For doing that I thank him for his advice and I assure him I would hope that my own action would be no less than his. In the circumstances I did what I thought I was entitled to do.

The Deputy Chairman: I think this very important question has been debated long enough. The Chair certainly has been enlightened and will have to have broader eyes in order to see all corners of the house so that no one will peek in, creep in or crawl in.

House in committee of ways and means on a certain proposed resolution to amend the customs tariff. The text of the proposed resolution appears as an appendix to *Votes and Proceedings* for November 30, 1967.

CUSTOMS TARIFF

13. That the Customs Tariff be amended by adding thereto a section as follows:

There shall be levied, collected and paid as a customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount determined as follows:

(a) in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15625-2, 15630-1, 15635-1 and 15640-1, one dollar and twenty-five cents per gallon of the strength of proof; and

(b) in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, four cents per gallon.

14. That any enactment founded upon the foregoing resolution shall be deemed to have come into force on the 1st day of December, 1967, and to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day and before the 1st day of January, 1968, and to have applied to goods previously imported for which no entry for consumption was made before the 1st day of December, 1967.

The Deputy Chairman: Shall the resolutions carry?

Mr. Lambert: Mr. Chairman, while one of your colleagues was presiding this afternoon a question was asked of the minister. He deferred the answer because it was a very technical one. All that is required at this time is an answer to that question.

Mr. Sharp: Mr. Chairman, as I recall the question it had to do with the amendment to the Customs Tariff which appears in *Votes and Proceedings* for November 30. These resolutions are consequential to the increase in the excise duties on spirits and beer produced in Canada. They provide that effective December 1 the customs duties on imported spirits and beer be increased by an equal amount; that is, $1.25 per proof gallon of spirits and 4 cents for a gallon of beer. Resolution 13 need remain in effect only until December 31 since, as provided for in resolution 7, effective January 1 imported spirits and beer are subject to the charges provided for under the Excise Act for these products.

The Deputy Chairman: Shall the resolutions carry?

Resolutions agreed to.

The Deputy Chairman: Shall I rise, report certain resolutions and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Resolutions reported and concurred in.

CUSTOMS TARIFF

REFERENCE TO STANDING COMMITTEE OF NOVEMBER 6 RESOLUTIONS

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I would ask leave of the house to move, seconded by Mr. Laing, that the standing committee on finance, trade and economic affairs be empowered to consider the subject matter of the proposed customs tariff resolutions the texts of which were laid before the house, Monday, November 6, 1967.

Mr. Speaker, I should have asked if I have the agreement of the house to revert to motions.

Mr. Deputy Speaker: Is it agreed that the house revert to motions.

Some hon. Members: Agreed.

Hon. Mitchell Sharp (Minister of Finance) moved:

That the standing committee on finance, trade and economic affairs be empowered to consider the subject matter of the proposed customs tariff resolutions the texts of which were laid before the house, Monday November 6, 1967.

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

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I feel I have the right to make a few brief remarks about that motion. I would therefore like to say a few words.

Mr. Speaker, the Minister of Finance (Mr. Sharp) proposed today to refer the resolutions which the house has just passed to the standing committee on finance, trade and economic affairs—

Mr. Lambert: No, no.

Some hon. Members: No.

Mr. Grégoire: —the bills that will follow.

Mr. Lambert: Not at all.

Mr. Grégoire: Did I fail to understand the resolution?

Some hon. Members: You did not understand.

Mr. Lambert: It is the resolution about the customs tariff known as the Kennedy round.

Mr. Grégoire: That will do just as well, Mr. Speaker, if those are resolutions dealing with the customs tariff.

This is why I should like to say a few words about that resolution presented by the minister because, since I do not sit on any committee, I cannot take part in the discussions concerning those pieces of legislation or those tariff changes.

Mr. Speaker, the fact that an hon. member is continuously and systematically prevented from sitting on committees brings about, in my opinion, a quite undemocratic climate.

[*English*]

Mr. Deputy Speaker: Order, please. The remarks which the hon. member is now making are not relevant at all to the motion before the house. Is it the pleasure of the house to adopt the said motion?

[*Translation*]

Mr. Grégoire: Mr. Speaker, this motion is debatable. Therefore—

[*English*]

Mr. Deputy Speaker: The Chair agrees that the motion before the house is a debatable motion, but the membership of the committee or the fact that the hon. member is not a member of that committee is not relevant to the discussion.

[Mr. Deputy Speaker.]

[*Translation*]

Mr. Grégoire: Then, I shall, Mr. Speaker, refer to something dealing with that.

I was simply tying to explain why I object to sending that resolution to the committee, because as long as the committee is not prepared to expand its membership, in order to include the representatives of every ideology, it will not be able to do a complete job and that is why I object to sending the motion to a committee. If we are not wanted as members of the committee, then let us deal with the motions in the house, otherwise let us allow those who wish to be members of the committee attend its sittings.

Mr. Lambert: You have the right to attend the sittings.

[*English*]

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

Mr. Grégoire: On division.

Motion agreed to.

• (9:00 p.m.)

Mr. Deputy Speaker: We will now proceed to government order No. 45, resuming debate on the motion of the Minister of Justice for the second reading of Bill C-187, an act respecting divorce.

Mr. Bell (Carleton): Mr. Speaker, I rise on a point of order. Is it not the intention of the Minister of Finance (Mr. Sharp) to give first reading to the budget bills based upon the resolutions which have been passed? We are quite ready to proceed in an attempt to get these matters settled.

Mr. Knowles: Not all of them.

Mr. Sharp: Mr. Speaker, I have two bills available but not all of them. Therefore I felt it would be better to proceed with all of them together.

Mr. Bell (Carleton): The minister has had since last June to do something in relation to these bills. Surely he can introduce them tonight.

Mr. Lambert: Surely we can have first reading. We have been very co-operative today and I hope the minister will be as co-operative. The efforts of opposition members today have been more than co-operative. I would think it would be very simple for the minister to introduce the bills for first reading. Certainly we should have first reading at least in respect of those resolutions of June.

An hon. Member: They are not ready.

Mr. Lambert: If they are not ready, what is this house coming to? It is ridiculous that these bills should be introduced tomorrow or at some later date for first reading, when we have passed the resolutions today.

Mr. MacEachen: The understanding was that we would dispose of the resolutions today, but not that we would introduce the bills for first reading. There is nothing irregular about this, and I think we should proceed now with the next order of business.

Mr. Bell (Carleton): If this government does not have the bills ready, and they have had since June to do so, there is something irregular about the government's conduct and the conduct of parliament.

Mr. MacEachen: The intention from the beginning was to deal with all the resolutions, and then the bills together. In order to do that the bills will be introduced for first reading at the earliest possible moment, at which time hon. members will have a full opportunity to discuss them and pass them speedily with the same co-operation they have shown today.

Mr. Bell (Carleton): The bills are just not ready; that's all this means.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I put a question to the government house leader?

Is it the intention of the government to have the house approve all the bills deriving from the budgetary resolutions before the Christmas recess? I see that the minister agrees.

Therefore, Mr. Speaker, may I point out to the minister that if he intends to give notice before moving second reading, it would be advisable that we obtain the bills beforehand to have at least the time to read them. There is only one week to go and we do not even have them. How do you want us to complete our study before the end of next week if we do not even have the bills? That is why I think the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Carleton (Mr. Bell) are justified in asking that the bills be tabled immediately, so that we may, at least over the week-end, have time to study them. Otherwise, we shall not be able to do so.

[*English*]

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed from Tuesday, December 5, consideration of the motion of Mr. Trudeau for the second reading of Bill No. C-187, respecting divorce.

[*Translation*]

Mr. Alcide Simard (Lac-Saint-Jean): Mr. Speaker, with your permission I will resume my remarks where they were interrupted on December 5 last.

I was putting forward my second argument in support of the indissolubility of marriage through the very nature of love.

First of all, this supposes a love-match and not a marriage of convenience or interest. A notable proportion of the petitions for divorce stem from this marriage of convenience which we cannot advise against too much. Experience has proved that marriage without love does not last long. The parties involved very soon turn to divorce.

If it is a marriage for love, the nature of such love remains to be known. A marriage based on physical attraction only, on sex-appeal only, purely on sexual instinct finding satisfaction in the physical charms of the spouse, such marriage is as precarious and shaky as physical love itself. Love based only on physical attractiveness and in which sexual instinct finds satisfaction cannot last. In no time at all, it will crumble. This is a cause of another goodly proportion of petitions for divorce. They are marriages mostly gone into by couples while still minors. One could never advise often enough against these early marriages without sufficient proof of true love.

However, those marriages are quite valid, even if they are based on physical and psychological love, without any depth. The indissolubility of such marriages, which are not deeply rooted by this precarious love, finds its basis in the explicit will of the contracting parties, expressed in all freedom and lucidity. I will come back to that point later on.

A marriage contracted in an atmosphere of genuine love which supersedes, yet includes, purely physical love, essentially admits of an absolute and irrevocable bond of faithfulness. Let all those who married under the influence of genuine love call upon their own experience; they will soon feel that the indissolubility of marriage is intimately bound with the constancy of love. Provisional love,

short-term faithfulness, those are contradictory terms. The daily experience of true lovers demonstrates this. How often they promise to be true to each other in life and death! How often they plight their troth! If one of them were to say: "I will love you for two years", the other could rightly answer: "In that case, you do not really love me." The basic reason of all this is that true love is necessarily faithful and irrevocable. At the beginning of all true love there is the intention of being absolutely, definitively and permanently faithful. The lover will not love where he does not intend to be faithful. How real, then, should be conjugal fidelity which is based on the most intimate relationship that can exist between two people, a relationship sealed in the physical union of two bodies! I could elaborate on this point, but I think this will suffice to show the strong basis on which rests the indissolubility of marriage. However, I will add two *confirmatur.*

• (9:10 p.m.)

First, the exclusive character of true love indicates the necessity for an absolute and irrevocable fidelity. It is a fact ascertained daily that two lovers do not admit a third party between them. What is the origin of jealousy in love if not from the fact that true love excludes any person other than the parties concerned. As soon as one of the two goes towards a third party, the other suffers, and how! Love tragedies, suicides resulting from deluded and unrequited love find an explanation in that. These facts illustrate in a concrete way the necessity for an absolute and irrevocable fidelity in love.

Secondly, if we take a look at forms used to certify the existence of marriage, whether in the civil tribunal or the religious tribunal, we always find this little formula: until death do you part. Why that? On what is this little formula based?

What does it express exactly, if not a requirement for absolute and irrevocable fidelity? And to bless the remarriage of divorced people with those words: until death do you part, seems to me a monumental farce which alters to a considerable extent the seriousness of fidelity and love.

Thirdly, the indissolubility of marriage is based on a contractual promise. Marriage is looked upon as a contract. Therefore, it comes under the law. A special obligation of fidelity results from a promise given and accepted by words, signs or equivalent acts.

Two beings are tied to one another by contract and that until death do them part. Some might say that any contract can be terminated if both parties to it so desire. That is true and that is the reason why I do not insist too much on the indissolubility of marriage. However, I wish to point out that the object of the marriage contract is not outside things. The interested parties are the main object of it, which makes the marriage contract a unique contract. Individuals have an absolute value and nobody can dispose of them at will as can be done for purely material objects. I therefore believe that the indissolubility of marriage is also based on a special obligation of fidelity which does not only proceed from love as such, but from a given and accepted promise.

In concluding this first part, Mr. Speaker, owing to the divine will concerning the nature of true love and a mutual and contractual promise, it must be admitted that indissolubility is an essential characteristic of marriage. It is therefore ascribable to natural law. Since such is the case, there follows an inevitable consequence, to wit that no human institution *a fortiori,* nor any individual can break marriage ties without going beyond his rights. This statement does not prejudge the quite exceptional cases which can occur beyond the scope of those principles. But a worthwhile reflection must be based on duly recognized principles rather than on exceptional cases. My views on divorce can be readily appreciated. But before dealing more specifically with this matter, let us draw a last corollary from the preceding remarks.

Our modern world rejects indissolubility as an extreme requirement for a normal marriage. Among other fatal remedies, it proposes what is commonly called trial marriage. Of course, such a sexual union, deprived of the intentional faithfulness and responsibility of genuine love, has nothing to do with a true marriage. To try marriage is about as sensible as trying death in an extended sleep. Trial marriage to me is the same as public concubinage.

Now, Mr. Speaker, I should like to consider the attitude of the state toward divorce.

As we have seen in the first part of these thoughts, indissolubility of marriage to which divorce is opposed arises directly from natural law as such. Now, the principles of natural law are absolute standards. Thus, there is not and cannot be a true dispensation from a natural, moral law. As a result, divorce, which purports to be a dispensation from the natural law of marriage, a dispensation of

indissolubility, is totally objectionable because it undermines the very basis of marriage which God decreed to be indissoluble. Does that mean that the state should adopt toward divorce an attitude of total prohibition? No, as we shall see later on. The impossibility of a true dispensation does not preclude the possibility of a legal tolerance. It will be the first point of the following thoughts. Then, we shall briefly consider the motives likely to legitimize such a tolerance. Finally, we shall put forward some remedies likely to control a social ill which is contaminating an entire nation.

First, the possibility of the legal tolerance of divorce. Let us first recall some guiding principles.

The Church alone can legislate on marriage between Christians, that is baptized people. The state alone has the right to legislate on the marriage of non-Christians, that is to say non-baptized people but, of course, only in the framework of the natural institution. As far as marriage of Christians is concerned, the state has exclusive rights on the civil effects of the marriage (for instance, right of succession, legal guardianship, family allowances, etc.).

• (9:20 p.m.)

When mention is made of religious divorce or civil divorce, strictly speaking and in principle, it can only involve the breakdown of the matrimonial bond. Even after the religious or civil judgment, except certain most exceptional cases, the matrimonial bond is always there because it is permanent by nature. Such a judgment can only ensure certain religious or certain legal or civil effects.

In the light of these principles, let us clarify the attitude of the state while I shall summarize in this way:

Always, the morality of right had to face the question of whether a legal tolerance and the regulating of bad things are allowed and may be more prudent than total interdiction which, through the wickedness of man, may have worse consequences. For instance, since St. Augustine, numerous theologians have held as licit the legal regulation and, therefore, the tolerance of controlled prostitution, provided this did not result in the apparent moral justification of vice and the multiplication of offences. Similarly, Christian politicians and jurists can participate in the legal regulation of civil divorce, but only if the legislation does not multiply the divorce offences and does not give the impression that those same Christian politicians and jurists approve morally what they believe they cannot prevent legally. The tolerance or, rather, the legal damming up of an evil reality must, as a whole, serve morality.

I, therefore, define my opinion in five points.

(1) Divorce is, and will always be, a moral offence, because it is contrary to an essential and natural propriety of marriage. This must be clearly evident in the civil legislation or, better still, the civil legislation must not be such that it presents divorce as something which is normally beyond reproach.

(2) As already stated, none but God should have the power to allow a true exemption from this natural law called indissolubility of marriage. However, a duly established institution such as the state may accept a legal tolerance and legislate accordingly.

(3) In conclusion I say once more, because this seems to be of crucial importance, that civil legislation should not be established under any colour of moral legalization of divorce. Tolerance does not mean moral approval. On the contrary, the whole civil legislation system of the state, more precisely its marriage legislation, must be geared above all towards family happiness, the preservation of chastity and the durability of natural marriage.

Modern society, which seeks any number of grounds for divorce and increases the frailty of marital unions through legislation on the property of married couples and other arbitrary provisions of marriage laws, digs its own grave.

(4) If society can tolerate divorce, while trying to decrease its frequency, it can also tolerate marriage between divorcees to ensure its civil effects only.

(5) In practice, society will have to consider each individual case with the utmost care. It will have to carefully consider the alleged motives of the litigants and, especially, ensure maximum security for the children. We have no right to allow innocent children to feel the effects of the marriage breakdown.

These few considerations, however schematic, are enough to allow the legislators to undertake a sound discussion. Now, let us look into the grounds which can justify this tolerance on the part of the state with regard to divorce.

There can be many grounds, all more or less valid. However, my attention is caught more particularly by four of them.

The first one is the non-consummation of a valid marriage. Marriage is consummated after sexual relations. If a sexual act has not taken place, the marriage can be annulled. Since there has not been real sexual union, we cannot really speak of an indissoluble marital tie. This situation can happen quite often when the two spouses, for some reason or other, had no opportunity of living together after the marriage took place. If they have lived together, the marriage is presumed to have been consummated.

Secondly, the impossibility of a peaceful cohabitation where one of the spouses, most often, the wife, is victim of the brutality of the other or of a professed hatred. This ground is more imperative if the children of the marriage must live in an infernal atmosphere. Of two evils, one must choose the lesser.

Thirdly, adultery may be a valid ground. The infidelity of one of the spouses deprives them of every right to a complete partnership between husband and wife. Even if condonation is an ideal, one can understand the unbearable situation of the spouse who remained faithful.

Fourth, the definitive and unjustified desertion of one of the spouses, especially if the children of the marriage suffer by that in a special way.

The grounds could be manifold. But I would like to point out two things about them. All grounds are not to be accepted simultaneously. It is absolutely necessary to limit them; otherwise, we will be opening the door to anarchy in society. The legislators must adopt only a few, those which seem the most imperative, according to the situation in the country.

Any civil legislation that really wants to put a stop to divorce, that social evil, will have to be demanding with regard to the procedure to be followed. That will be a way to emphasize the disapproval aroused by such a state of affairs. It will be most important to find out whether the husband and wife deliberately made up the grounds which could justify their divorce petition. It must be recognized that whoever wants to leave the other can easily and with the explicit intention of getting a divorce create the unfortunate situation which would justify such a petition to the state. The latter must therefore be in a position to bring to light that deceitful intention.

In short, Mr. Speaker, even if civil law recognizes the validity of certain grounds for divorce, this law and the judicial procedure to be followed must be established in such a way that people can say that it is not easy to get a divorce in Canada. If they say the opposite, it is a sign that the state morally approves divorce and accepts the practice on a wide scale. Therefore, such legislation is harmful and fully deserves the censure and indignation of all those who still possess a remnant of natural morality. The state itself, I repeat, is digging its own grave. The experience of foreign states in past centuries is quite revelatory with regard to this unescapable consequence. If part of the population has lost all natural sense of morality, the lawmakers must show some instead, even though it is sad indeed to realize that such a substitution is necessary.

• (9:30 p.m.)

And what of the remedial action to be promoted against divorce? The state must therefore take a negative attitude toward divorce, that is, show its disapproval by being exacting with regard to grounds for divorce, as well as to the legal procedure to be followed. But it must not restrict its role to a negative attitude. A squarely positive position is perhaps the best way to check that disease. Such a positive position should consist in promoting, by every means possible, the indissolubility of marriage. Those means are many and varied. I shall point out a few.

Through special grants, the state should promote and encourage social organizations whose main purpose is to protect the family and the marital community. For instance, several institutions are designed to prepare future spouses properly. Others bring together couples with some experience of married and family life, to study some specific problems peculiar to married people and to strengthen finally the bonds which unite them. Other agencies work toward the reconciliation of separated spouses. It seems to me that the government should give positive help to such agencies which contribute to the welfare of society in general, and of the marriage institution in particular.

To prevent under-age weddings, which are too frequent, society should, for instance, further promote youth recreational activities which aim at the development and flowering of young people in a healthy climate. Even if some young people sometimes commit the well-known blunder, society should provide them with some protection against shotgun weddings, as they are called. The parents of

those young people have no right, even to hide a certain shame, to push them into a marriage they do not want. One evil cannot be cured by another evil.

Finally, it might perhaps be well to review all our statutes on marriage, and see if they really serve the family well, and do not burden it with certain obligations which, in the final analysis, are detrimental to the strength of marriage. Some spouses consider giving up marriage because the state imposes obligations upon them which they did not have in single life.

Many other ways could be enumerated, Mr. Speaker, but it is up to us, legislators in this house, to seek and find the most efficient means to reinforce the stability, the indissolubility of matrimonial ties and to stem the social evil of divorce. The state should always endeavour to promote variously the solidity of that small cell which the family, the conjugal community constitutes. Is society not made up of thousands of such small cells? If the cells deteriorate and break down under the influence of divorce-cancer, what will happen to the great body, society? Deteriorating cells indicate a dying, or already dead, organism. However, if cells are teeming with life, that is, if the married community maintains an indefectible stability, the organism as a whole will be in a state of growth and sound development, in other words, society is on the straight road to full development.

[*English*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, when this matter was discussed at the resolution stage I welcomed the fact that at long last we had a bill for the reform of our divorce laws which had been introduced by the government. I must admit when I saw the bill itself it was a serious disappointment. It now represents a considerable improvement from the existing law of Canada, but it is not very difficult to accomplish this because the existing law of Canada, as the Minister of Justice (Mr. Trudeau) pointed out, was either pre-confederation law or the law of England of 1857 as modified in 1870. The existing law of Canada is so antiquated and has produced such grave hardships that any change in it was bound to be an improvement. However, the bill goes very little if any further, than the changes made in the law of Great Britain in the 1930's.

I think it is unfortunate, Mr. Speaker, that when parliament at last tackles the problem of divorce it does not take advantage of the British experience. It is too bad that the law, as introduced by this government, is not atuned to contemporary society or to the needs of the second half of the twentieth century. It is to be regretted the government has not seen fit to listen to the advice of the churches, although the government does refer to this advice. When I say "the churches", I mean almost all of the recognized churches in Canada. They have advocated a totally new approach, an approach based upon the concept of marriage breakdown. This is a totally different way of handling the problem of divorce from the old concept of matrimonial offences. The basic philosophy behind this new approach, known as marriage breakdown, was enunciated, so far as I know, by Lord Walker, one of the members of a royal commission on marriage in 1955, who said:

> The true significance of marriage, as I see it, is lifelong cohabitation in the home for the family. But when the prospect of continuing cohabitation has ceased, that true view of the significance of marriage seems to require that the legal ties should be dissolved. Each empty tie—as empty ties accumulate—adds increasing harm to the community and injury to the ideal of marriage.

It is true, Mr. Speaker, that the bill before us makes a sort of verbal nod to the breakdown theory but, as I shall point out, it rejects that theory in essence. The matter was very well put by one of the English law lords in a debate in the House of Lords in June, 1963 when he said this:

> There are only two theories alive in this problem —namely, are we going to act on the matrimonial offence or are we going to act on the breakdown of marriage theory? That is the fight.

That is still the fight here.

• (9:40 p.m.)

The bill which the minister has introduced mixes up the two theories of matrimonial offence and marriage breakdown, and the mélange is neither logical nor sound. It contains other defects which I shall try to point out and rectify by way of amendments when we reach the committee stage. I know that the minister has promised to take seriously such amendments as may be presented in committee.

Once again this government has put the members of the House of Commons on the horns of a dilemma. It has introduced a bill which contains serious defects, both in its basic approach to the matter with which it deals and in its details. Nevertheless it may be impossible for us to reject this bill as its

provisions contain a great advance, as I have already said, over the existing law. It is just too bad that once again we are asked to accept the second best.

Before I discuss some of the major faults of the bill may I say that certain features of it should be welcomed. The first of those is the provision with respect to Canadian domicile, whereby the domicile of a married woman shall be determined as if she were unmarried. That means in effect that a married woman can bring her action for divorce where she lives. This reform is long overdue. The old rule that a husband's domicile prevailed was based on an English judicial decision, which in turn was based on the survival of the theory of the unity of the spouses. The theory in effect was that the wife had no separate existence apart from that of her husband. I think that any married man in this house will say that that theory was not founded on fact.

Mr. Groos: I agree with you there, Andy.

Mr. Brewin: Thank you.

Mr. Knowles: That was a plaintive response.

Mr. Groos: I just wanted the hon. member to know that I was listening.

Mr. Brewin: The theory, apart from its hoary nature, has worked grave hardships. I am glad that that matter is being changed.

I also welcome the final elimination of parliamentary divorce and the conferring on the Exchequer Court of Canada of jurisdiction to pronounce divorces, pending the acceptance of jurisdiction by the Superior Court of Quebec and the Supreme Court of Newfoundland. It is not necessary to recall the long battle that was waged by my colleagues, the hon. members for Timiskaming (Mr. Peters) and Skeena (Mr. Howard) to bring about this reform and to remove from parliament the responsibility of exercising a judicial responsibility which it was in no way fitted to discharge.

We welcome, further, the fact that the bill grants to the courts the right to deal with corollary relief, that is to say, those questions to do with the maintenance and custody of the children of the marriage and the payment of alimony to deserving spouses. It is my view that any law would be irresponsible if it failed to provide that the authority which dissolved the marriage could, at the same time, have authority to deal with the obligations that have arisen out of and been created by the marriage.

I welcome another feature of the bill which recognizes the duty of the courts to be concerned with the question of reconciliation. For reasons which I shall go into later, I have come to the conclusion that the provisions in the present bill, divorced as they are from the new approach of marriage breakdown, may turn out to be of little effect. It is however, some comfort that the existence of this problem is recognized.

Lastly, Mr. Speaker, so far as the good aspects of the bill are concerned, if the grounds for divorce are to be expanded instead of the new theory of marriage breakdown being adopted, I welcome the extension of these grounds to include physical and mental cruelty, rendering continued cohabitation intolerable. We welcome the recognition that where a marriage has broken down and has resulted in an extended period of separation, that that marriage then should be dissolved.

Having recognized and welcomed these features of the bill, let me now turn to what I consider to be the basic defect. That is, as I have said before, the rejection of marriage breakdown as the sole ground for dissolution of the marriage. As I said before, this approach was put forward to the joint committee of the Senate and the House of Commons by a number of highly responsible groups: the United Church of Canada, the Anglican Church of Canada, the National Council of Women, the Canadian Mental Health Association, the Canadian Jewish Congress, the Canadian Committee on the Status of Women and a number of individuals who are experienced in this field.

I have just this week received a communication from the Family Services Association of metropolitan Toronto which points out that in the second annual report of the British Law Commission of 1967 the following statement is to be found:

> We are satisfied that if parliament were to accept the principle of breakdown as the basis of divorce, practical and feasible proposals making use of the separation grounds could be prepared for the consideration of parliament.

[*Translation*]

Mr. Laflamme: Mr. Speaker, would the hon. member permit me a question?

[*English*]

Mr. Brewin: Perhaps I might deal with the hon. member's question after I have finished. I have limited time in which to speak.

[*Translation*]

Mr. Laflamme: Mr. Speaker, could the hon. member explain, or at least, give us a definition of a marriage breakdown?

[*English*]

Mr. Brewin: I say to the hon. member that I am just coming to that in the course of my speech. I might say that I think there has been considerable misunderstanding of what is involved in the marriage breakdown proposal. That proposal was adequately and fully set out in the report of a group that was appointed by the Archbishop of Canterbury in January, 1964. That group reported in 1966. The committee consisted of leading churchmen, lawyers, judges, sociologists, psychiatrists, and even included a politician. The report is embodied in a book entitled, "Putting Asunder". Its subtitle is an interesting one: "A Divorce Law for Contemporary Society". The report says that the essence of the principle of divorce that is based on marriage breakdown is that the court studies and makes findings on the state of the marriage and not on the conduct of the parties. This change of approach is not accomplished by listing a series of circumstances, and saying that they are to constitute a breakdown.

In discussing their conclusion, the writers of the report say this:

> We very soon decided that it would not be an improvement, but the reverse, to introduce the principle of breakdown of marriage into the existing law in the shape of additional ground for divorce; and our objections to any such compromise multiplied and hardened as the time went on.

I and others on our committee went through precisely the same mental process. I suspect that others who subject themselves to studying the evidence and thinking about it will emerge with the same conclusions that the English committee emerged with.

In dealing with the choice of alternatives the English committee emerged with.

> Although some of our witnesses still had faith in the matrimonial-offence system, our study of it elicited little to its credit and nothing at all to make us want its perpetuation.

It should be noted, Mr. Speaker, that the English report was based on a period of 30 years experience with expanded matrimonial offences such as are contemplated in the bill that is presently before the house.

• (9:50 p.m.)

I want to read the conclusion of the committee report on this matter.

> Indeed we were persuaded that a divorce law founded on the doctrine of breakdown would not only accord better with social realities than the present law does, but would have the merit of showing up divorce for what in essence it is—not a reward for marital virtue on the one side and a penalty for marital delinquency on the other; not a victory for one spouse and a reverse for the other, but a defeat for both, a failure of the marital two-in-oneship in which both its members, however unequal their responsibility, are inevitably involved together. So we arrived at our primary and fundamental recommendation: that the doctrine of the breakdown of marriage should be comprehensively substituted for the doctrine of the matrimonial offence as the basis of all divorce.

The report proceeded to deal fully with what has been the main objection to basing divorce on breakdown, namely that it is not a triable issue and would impose an undue burden on the courts. This is the point of view put forward by the Minister of Justice (Mr. Trudeau), and I propose to deal with his remarks in more detail later.

May I first call the attention of the house to what the English committee said on this issue?

> For the most part we were advised that a judge would not find it unduly difficult to decide, after hearing the evidence, whether or not there was a reasonable probability in all the circumstances of cohabitation being revived. Actions and conduct which under the present law constitute matrimonial offences, though no longer in themselves and by themselves grounds for a decree, would still be available as evidence for breakdown.

It is true, as the minister said—and he gave it as his main reason for turning down this proposal—that this would involve procedural changes. The minister said these changes were unrealistic, and would impose on the existing courts of law and on the judiciary an inquisitorial approach coupled with a broad administrative discretion.

In this statement, the minister differs from the view of the experienced members of the English committee. I suggest he is also overlooking the fact that in this field of family relationships the courts have had to deal with general issues for many years, and deal with them on an administrative basis. For many years the law in Canada has laid down that the custody of children is to be determined on the basis of regard for their welfare. This administrative jurisdiction has existed in English law for centuries since the courts of Chancery exercised a quasi parental jurisdiction over the affairs of children based upon the theory that the crown, which they represented was *parens patriae*. It is also true that the marriage breakdown theory as applied to divorce would require the

courts to determine whether the marriage was dead, whether there was any chance of its revival, or whether as it was a mere legal shell. It is not beyond the ability of the courts to do this, and anyone who says it is cannot be too familiar with what the courts are doing now.

It is true that the procedures required in arriving at such decisions would involve a somewhat different approach. This is one of the reasons I am advocating the change. It might involve the assistance of reports from social workers or other experienced people in the community. But there is nothing new in this. In divorce cases in the province of Ontario the rules of the court provide for the receiving of reports from the official guardian which, in turn, he obtains from the children's aid societies, in relation to conditions affecting children of the marriage. I am not sure whether this is the practice in other provinces, but these reports affecting the children are used by the courts to determine the highly important question of the custody of children in divorce cases.

It is said there is a lack of trained and experienced personnel. We have not heard about that from the Canadian Mental Health Association. If there is a lack, then I suggest the existence of a new approach to divorce would undoubtedly direct attention to it and the gap would be filled; more and more people would be trained in this field.

The responsibility would still belong to the court. But to turn down the proposal on the ground that it would introduce a new procedure is to turn it down on an unsatisfactory ground. In conclusion, I wish to refer for a moment to a further passage in the English report which says, in connection with whether the issue of breakdown is triable:

> The evidence we have received suggests that judges would be reluctant to be put in the position of having to make predictions about the future of marriages, but in fact a judgment of breakdown does not require any greater measure of prediction than, for instance, the judgment that the proved conduct of a spouse would, if continued, cause injury to the health of the other spouse. In both cases it is a present probability that has to be assessed.

The report goes on to give other reasons why one should not mix the breakdown principle with the principle of matrimonial offences. I wish to deal with this subject once again when I return to the question of provision for reconciliation.

[Mr. Brewin.]

In the opinion of the writers of this report who, as I say, were highly experienced, the principle of breakdown ought on no account to be introduced into the existing law in the form of an additional ground. If I may put this in my own words, the tendency of lawyers handling divorce cases would undoubtedly be to avoid basing their cases on breakdown except where they do not fit into any of the other categories. As a result, the basis of the present law would remain; the unreality of determining misconduct would remain. The accusatorial procedure, with all the bitterness it engenders, would remain.

I see it is almost ten o'clock. In the light of these observations I wish to proceed, when I have the opportunity tomorrow, to deal with the general provisions of this bill and to show that unfortunately it does not provide the best solution for the problem of divorce procedure.

BUSINESS OF THE HOUSE

Mr. Ricard: I should like to ask the leader of the house whether there is any change in the business for tomorrow and whether he can indicate the business for next week.

Mr. MacEachen: Tomorrow we shall continue our consideration of this bill. The business for next week is reasonably clear: it will be consideration of the broadcasting and budget bills.

PROCEEDINGS ON ADJOURNMENT MOTION

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

COMPANY OF YOUNG CANADIANS—REPORTED SUBSIDIZATION OF PRIVATE SCHOOL IN B.C.

Mr. Howard Johnston (Okanagan-Revelstoke): My question arises from an article which appeared in *Maclean's* magazine for December, 1967, "Maclean's Reports". It is about an unusual school in Vancouver which has grown up in response to the wishes of half a dozen or so disgruntled students from Lord Byng high school who complained about the high school system. By the end of the summer this group had grown to about 20 youngsters aged between 12 and 18 from all over Vancouver. They appealed for help from the Company of Young Canadians and in response, Colin Thomson, a 20-year-old graduate from the University of British

Columbia and a C.Y.C. employee, agreed to work as co-ordinator. So they set about developing a rather unusual school.

● (10:00 p.m.)

They were able to rent space in Vancouver. They were able to obtain a library by lugging their own collections of books from home, which does not sound very much like a poverty stricken clientele and, as this article reports:

Their 1,000 volume collection leans more heavily on John Lennon and Henry Miller than it does on Shakespeare.

The problem of full-time teachers was almost insurmountable until the efforts of Mr. Thomson were augmented when the Company of Young Canadians, as this article reports, "agreed to underwrite salaries for five full-time staff members". But I learned by checking that there are three full-time staff members from the Company of Young Canadians at this unusual school.

I quote further from the article:

To achieve the freedom they want, the kids have thrown out formal lessons, exams, report cards, grades, predetermined curriculum and timetables.

Instead they have something called independent study. They stay home for days, if they are working on a project. They organize field trips, and have heard a Buddhist monk lecture on Viet Nam.

As I read this article it struck me that this was a rather unusual engagement for an organization that was supposed to be one of the main arms to be used in the drive in the war on poverty. I looked up the act establishing the company, and find that in the objects and powers defined in section 15 the company may:

—engage in community development work in urban and rural areas in Canada:

organize and carry out programs designed primarily to widen the social and economic opportunities of young people who leave school before completing their schooling;

organize and carry out programs... to reduce the number of young people who leave school before completing their schooling;

assist vocational training projects... undertake recreation programs for young people where recreation programs are not available;

undertake programs in public health—

And so on. All of these deal with poverty as we ordinarily recognize it. When the act was introduced in this house the Prime Minister (Mr. Pearson) himself said:

It is important to note, Mr. Speaker, that in all such proposed projects or programs the company would operate only in co-operation with the many other organizations and agencies already in the field which are already attempting to deal with these social and economic problems.

I would maintain nothing is in the field of education as much as the public school system of British Columbia, but here we have the Company of Young Canadians going completely outside its mandate, not to co-operate with that school system but in a very real sense to subvert it.

Checking again, I found there was no co-operation either with the provincial department of education or the Vancouver school board. The entire project has been set up without the least co-operation from there, and it is being treated as another private school. Unless there is a complaint from a parent or from a student within the school it will not normally be investigated by the provincial department or by the Vancouver school board.

What I am really interested in are the constitutional points that this experiment raises. Although the volunteers from the Company of Young Canadians may not be receiving any direct grant, or a salary from the school, nevertheless their expenses are paid through the company. Taking these three teachers as a fraction of the 180 volunteers in the field, and allotting them a percentage of the total budget for the company last year, we find that providing these volunteers for this school for middle class and wealthy students, costs the taxpayers of Canada well over $13,000. It does not matter how indirect it is, the subsidy is there. It seems this is a strange intrusion of the federal authority into the field of education.

I would be interested to know if other provinces in the country can expect the same sort of treatment that is being provided to British Columbia. We who come from British Columbia know very well that on a variety of aid programs we have had to battle tooth and nail in order to get federal assistance for that province, and so it seems strange that this organization can move so openly in opposition to the existing organization, indeed in contempt of the existing organization, to set up a school system the virtue of which is highly doubtful, and the operation of which has nothing whatever to do with the sort of poverty that was contemplated when the act setting up the Company of Young Canadians was being debated and passed by this parliament.

Proceedings on Adjournment Motion

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I thank my friend for his representation. I am informed by the Company of Young Canadians that after being approached by a number of young people and parents who wished to establish an experimental school in Vancouver, the company now has three volunteers at the Knowplace school. The organizers of the school have consulted provincial educational authorities. Provision of these volunteers is undertaken under the terms of section 15(h) of the Company of Young Canadians Act. That is the extent of my information from the company.

TRANSPORT—PRINCE EDWARD ISLAND CAUSEWAY—INQUIRY AS TO NEXT STEPS

Mr. David MacDonald (Prince): Mr. Speaker, earlier today in the question period I raised with the Prime Minister the matter of further details with reference to his press statement of yesterday, when he indicated to the general public that there would be no scrapping of the Prince Edward Island crossing project. I think Prince Edward Islanders and many other Canadians can be forgiven if they become increasingly sceptical about the future of this project. Indeed I find it difficult to obtain support in any quarter for the belief that the government is in fact serious about the continuance of this project. Some people suggest there never was any seriousness on the part of the government, even in the early stages, in respect of pursuing this project. I find this difficult to believe.

Since I am not privileged to know about the various discussions going on in cabinet circles about this matter, it is difficult for me to know the actual state of mind which exists with regard to this particular project. However, I must admit that if people had some doubt concerning the furtherance of the Prince Edward Island-New Brunswick crossing, they must have had that uncertainty heightened to a considerable degree when only a few short hours following the release of the announcement that the project would continue the man who made that announcement indicated his own resignation.

I do not suggest there is a connection between these two events, but I do suggest, if the government expects to be taken seriously in the matter of dealing with this most important project, that it is high time we had some action. It is an important project, not only to the end that it will achieve for the first time a permanent means of transportation to and from two provinces of Canada, but also it is important—as will be realized by those concerned about this, if they investigate the matter—from the standpoint of the future standard of living which may be enjoyed by the people of Prince Edward Island.

I would think that this government and indeed any government ought to be concerned about the fact that there are provinces of Canada which have a standard of living much below the standard of living in other parts of Canada. It is a fact well known to members of this house that the standard of living in the Atlantic region is at a figure of roughly 70 per cent of the national average. Until major steps are taken by the national government to rectify the serious problems which face this region we will never effectively achieve a national standard truly enjoyed by people in all parts of the country.

I believe this crossing is fundamentally important because it involves two great problems which confront Prince Edward Islanders. One of these problems is transportation. If we wish to become competitive in the manufacturing business related to our basic industries of farming and fishing, it is imperative that we have the kind of transportation which can only be provided by a causeway or crossing facility. I think this is well understood by most people.

Of almost equal importance to Prince Edward Island is the whole business of a power link which, as I understand it, will come with the establishment of the crossing. The idea of a submarine power cable has been accepted for some time now. However, Prince Edward Islanders cannot look forward to the benefits to be derived from large amounts of low cost electric power until that crossing is completed. There is the third argument that the national government at the present time is expending annually $5 million in the form of a subsidy to make up the difference in the cost of the present ferry transportation service.

• (10:10 p.m.)

These are all good economic reasons for all Canadians to be concerned about the future of the Northumberland strait crossing. Yet, during the past two years we have seen the most unusual performance ever witnessed on the part of this government. On several occasions in the house we have been told that the government is not going to do this right now—that at some time they plan to get it

under way, or that at the moment it is being reviewed.

It is not my concern and intention this evening to bring out the many questions and comments that have been made in this house because they are all of public record, and known. What concerns me, and the reason I asked the question of the Prime Minister (Mr. Pearson) this afternoon, is the hope that we can get some assurance from the Minister of Public Works (Mr. McIlraith) that in the next few days we can expect some schedule indicating that the people of Prince Edward Island and of Canada generally may be assured that the project is going ahead, rather than some general statement that the government is committed to maintaining a transportation link, which is something I find now a bit devious. I hope to get a firm commitment that a permanent link will be established, whether it involves a complete causeway, or a causeway, tunnel and bridge complex, which will be established and built in the shortest possible time; because this makes good business sense and will provide the kind of economic opportunity this island province both needs and desires.

I find it very difficult to accept, as I am sure that people do, that in the two budgets which have been presented in just a little over a year the Minister of Finance (Mr. Sharp) on one occasion and the Minister of National Revenue (Mr. Benson) on another occasion have taken what I thought was a light approach, that they could with complete abandonment suggest that this project could be deferred, delayed, rescheduled—whatever euphemism you want to use—and expect the people to be satisfied.

Therefore I ask the Minister of Public Works to give the members of this house and the people of Prince Edward Island some assurance that we may have some specific assurance shortly, rather than the usual generality that tells us very little and fills us with great disappointment.

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, I must say I have listened with some amazement to the tenor of the remarks of the hon. member.

Mr. Fulton: You always do.

Mr. McIlraith: I quite appreciate the hon. member from British Columbia, but I hope he will stay out of this debate. After hearing him earlier this evening I do not think he has anything useful to contribute to this debate.

There never has been any time since I was made the minister that we have said we were not proceeding with this crossing. We have spent a great deal of money on it and the project is proceeding extremely well.

Mr. MacDonald (Prince): You mean the studies.

Mr. McIlraith: The hon. member keeps interjecting. Surely I am entitled, since I am limited to three minutes, to be heard in reply to the seven minute statement of the hon. member, during which time I did not interrupt.

Mr. Fulton: Injured innocence.

Mr. McIlraith: Well, Mr. Speaker, if the house does not wish to hear me, that is fine, but I would ask that the rules be enforced, particularly if these would-be, but unsuccessful, leaders keep on interrupting.

Mr. Fulton: In view of the several over there I say this is injured innocence.

Mr. McIlraith: There may have been doubt created by some press reports, and undoubtedly more now, created by the remarks of hon. members opposite. In case there is such doubt I want to make it very clear that this project is proceeding. To do this I can do no better than read from the remarks of the Minister of National Revenue as reported in *Hansard* at page 5181 of December 7. He said in respect of this question:

> This next item is most important to many of my hon. friends from the maritime provinces. The government has decided to defer the placing of any further new contracts for the Northumberland causeway, pending a thorough review of the situation by Col. Edward Churchill, whose services have been retained as a co-ordinator of the project. This review, made necessary by the drastic escalation in the estimated cost of the project as originally conceived, will include the examination of alternative ways of meeting, on a more economically justifiable basis the commitment of the federal government to the government and the people of Prince Edward Island.

There was an interjection following, which the minister stated:

> That commitment this government will keep.

The press release of the Prime Minister to which my hon. friend referred is as follows:

> There is no thought of scrapping the P.E.I. crossing project.

Proceedings on Adjournment Motion

Revenue Minister Benson told the House of Commons on December 7 that the federal government would keep its commitment to the people of Prince Edward Island. I now confirm what he said.

We intend to proceed with the project. In fact, we are busy on it now. Colonel Edward Churchill is now actively directing a full review of the plans made by Northumberland Consultants Limited.

We believe that the people of Prince Edward Island want us to honour our commitment in the most efficient and practical way. I have asked Colonel Churchill that there be no delay in completing a thorough review of the plans and this review is proceeding at full pace.

That engineering review is going on extremely well at the moment. I cannot give a definite date as to when it will be completed. I cannot foretell what precise form of crossing will be recommended in the review. It is impossible to give a precise time schedule of construction work when you do not know the precise form of the construction work that will be undertaken.

Motion agreed to and the house adjourned at 10.19 p.m.

HOUSE OF COMMONS

Friday, December 15, 1967

The house met at 11 a.m.

CRIMINAL CODE

AMENDMENT RESPECTING PREVENTIVE DETENTION OF SEXUAL OFFENDERS

Mr. Andrew Brewin (Greenwood) moved for leave to introduce Bill No. C-189, to amend the Criminal Code (preventive detention of sexual offenders).

Some hon. Members: Explain.

Mr. Brewin: Mr. Speaker, the purpose of this bill is to deal with a problem which became apparent in the Supreme Court of Canada decision in the case of Klippert *v* the Queen. The court decided that under the present wording of a section of the Criminal Code a homosexual might be held in preventive detention for life if he were likely to commit the offence again.

The majority of the court said the wording of the section as at present in the code would have that result. A minority of the court, of which Chief Justice Cartwright was one, held that the real intent of parliament was that this should only apply in the case of a dangerous offender. The purpose of this bill is to amend the law to make it comply with the view of the minority of the court.

Motion agreed to and bill read the first time.

PATENT ACT—TRADE MARKS ACT

AMENDMENTS RESPECTING IMPORTATION OF PRESCRIPTION DRUGS

Hon. John N. Turner (Registrar General) moved for leave to introduce Bill No. C-190, to amend the Patent Act and the Trade Marks Act.

Some hon. Members: Explain.

Mr. Turner: Mr. Speaker, the purpose of this bill is to amend the Patent Act and the Trade Marks Act to allow compulsory licenses to import prescription drugs, having the effect of injecting more competition at the manufacturers' level in the drug industry, and beneficially affecting the prices of drugs.

Motion agreed to and bill read the first time.

• (11:10 a.m.)

FISH INSPECTION ACT

AMENDMENTS RESPECTING CONTAINERS, PROCESSING, ETC.

Hon. H.-J. Robichaud (Minister of Fisheries) moved the first reading of Bill No. S-27 (from the Senate), to amend the Fish Inspection Act.

Motion agreed to and bill read the first time.

[*Translation*]

MANPOWER

QUEBEC—REPORTED REDUCTION IN RETRAINING PROGRAMS

On the orders of the day:

Mr. Roger-E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

In view of the fact that nearly 100 instructors in the area of Toronto alone have been laid off for lack of trainees under the manpower training program, has the minister planned to remedy this apparent breakdown of the training program?

Hon. Jean Marchand (Minister of Manpower and Immigration): Yes, Mr. Speaker.

Mr. Régimbal: A supplementary question, Mr. Speaker.

Could the minister give us some idea, since this matter is urgent and causes serious concern in many areas of the country? At the same time, could he say if this situation prevails elsewhere in Canada and where?

Mr. Marchand: Mr. Speaker, on several occasions I have explained in the house why the number of recruits had decreased. I also stated that we were taking measures designed to correct that situation and we have every reason to believe that everything will return to normal as of January.

[*English*]

Hon. Michael Starr (Ontario): I have a further supplementary question, Mr. Speaker.

Inquiries of the Ministry

In view of the fact that the minister and his department have contracted with the provinces for a great many man days of training, does the minister not think it is imperative that steps be taken immediately to accelerate the program so the taxpayer will get his money's worth out of the training, and so that many more people will be trained?

Mr. Marchand: This is exactly what we are doing now.

Mr. Starr: Where is the result?

[*Translation*]

[*Later:*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the hon. Minister of Manpower and Immigration.

In view of the fact that 4,000 out of a total of 5,000 unemployed in a certain area of the country are eligible to maintenance allowances to students, can the minister tell us whether he intends to make an investigation in the Quebec area where only 580 unemployed out of a total of 13,000, have been accepted?

Mr. Marchand: Mr. Speaker, I am not aware of the exact figures, but there is no need for a special inquiry. All the necessary information is available as received from our manpower centres.

[*English*]

EXTERNAL AFFAIRS

GREECE—CANADIAN RELATIONS WITH MILITARY RÉGIME

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister regarding Canada's relations with the military régime in Greece. Since the Secretary of State for External Affairs earlier this session said that Canada's relations with that administration were not in question because the chief of state was still there; and in view of the fact that the prime minister of Britain has now said that the United Kingdom's recognition is no longer valid because King Constantine has left the country, may I ask the Prime Minister what are Canada's relations with the military régime in Greece? Will this régime still be recognized, and will diplomatic relations be maintained with that country?

[Mr. Starr.]

Right Hon. L. B. Pearson (Prime Minister): In view of the uncertainty of the situation in Greece from the constitutional point of view, and in view of the effect on the constitution of the withdrawal of the king, it is not possible for me to give a definitive answer to that question at this moment. We are studying this matter, and as soon as the situation has cleared up, as I hope it will before many days, I will be in a better position to reply to the question.

Mr. Douglas: May I ask a supplementary question, Mr. Speaker. In view of the fact that many Canadians of Greek origin are concerned about the safety of their relatives in Greece, and in view of the widespread arrests which have been going on and which have been accelerated in recent days, is the Canadian government making any representations to the government of Greece regarding these violations of basic human liberty?

Mr. Pearson: Mr. Speaker, I have no information to the effect that such arrests have been accelerated in recent days. However, we will be receiving a report from our ambassador in Greece with regard to the effect, if any, of recent developments on the matter of arrests. We have already indicated our attitude toward the régime. I would prefer not to say anything further until we have a more accurate picture of what is happening in that country.

Mr. Harold E. Winch (Vancouver East): I have a supplementary question, Mr. Speaker. In view of the statement just made by the Prime Minister, when he makes a report to the house will he also include a statement concerning the attitude of Canada with regard to the position of Greece within the NATO alliance?

Mr. Pearson: Yes, Mr. Speaker. My hon. friend knows, of course, that the NATO council has been meeting and the Greek government has been represented at that conference.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I wish to put a question to the Prime Minister. Could he tell us whether he believes that, in view of the situation in Greece, the plans concerning Cyprus may be altered and whether a decision has been taken as to the renewal of the mandate of the peace-keeping force we are maintaining

in Cyprus and which is to terminate on December 26 next?

[*English*]

Mr. Pearson: Our information is that the recent events in Greece have not affected in any way the attitude of the Greek government toward the arrangements which were worked out among Turkey, Greece and Cyprus. The question of the mandate of the United Nations force in Cyprus and its possible extension I believe is coming before the security council on Monday.

UNITED NATIONS

CANADIAN SUPPORT FOR GREATER USE OF FRENCH LANGUAGE

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, my question is for the Prime Minister. Has he had time to study the resolution to be presented to the United Nations on the increased use of French there, and will Canada be stating its position in respect of that resolution?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I have had a chance to study it. My hon. friend will be glad to know that Canada is one of the sponsors of this resolution, so naturally we will be supporting it.

Mr. Johnston: Have any representations been received from the government of France in regard to Canada's support for this resolution?

Mr. Pearson: I do not think any representations were required, Mr. Speaker, because we joined with other delegations in drawing up the resolution. I think the French delegation was one of them.

NORTHERN AFFAIRS

LEGISLATIVE COUNCIL RESOLUTION RESPECTING AMENDMENTS TO YUKON ACT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. The minister has no doubt by now been in touch with the commissioner of the Yukon in respect of legislation passed by the council the day before yesterday. Can he now say he has agreed to the request of the council for the establishment of a committee on constitutional reform, and that the government will cooperate in discussing with the council the question of reforms to the Yukon Act?

Inquiries of the Ministry

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): The answer is no, Mr. Speaker. This seems quite in order, because the council yesterday agreed to withdraw all the conditions it had inserted the day before.

Mr. Nielsen: As the minister is aware, the council did so with the request that the minister give a written undertaking to enter into discussions on constitutional reforms. I wonder whether the minister has acceded to this request of the council.

Mr. Laing: I think my information is a little more up to date than that in the possession of the hon. member. The council withdrew entirely its suggestion that it required me to make any statement. I want to say that I cannot agree to the council imposing a condition that instructs me to take a certain action which I had informed the council at least six weeks ago I was going to take.

Mr. Nielsen: I wonder whether the minister, in keeping with the reply of the Prime Minister earlier this week, would make a statement on this matter some time early next week, so the position of the government can be established with respect not to the demands but the requests of the Yukon council?

Mr. Laing: Mr. Speaker, we will be making a statement when we call the council together to discuss the white paper we are preparing.

[*Translation*]

IMMIGRATION

SUGGESTED DEPORTATION OF U.S. CITIZENS AT TORONTO UNIVERSITY

On the orders of the day:

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, yesterday the hon. member for Fraser Valley (Mr. Patterson) asked me if the department intended to deport the two young Americans who took an active part in a demonstration at Toronto University against the representatives of a chemical company who were recruiting on the campus.

Those two American students, Messrs. Carl Gilbert and Paul Hocks, are in Canada after having complied with the regulations. They have been admitted to complete their postgraduate work at Toronto University and have in no way violated the Immigration Act. As long as they respect the provisions of the act, I believe they will be allowed to express themselves freely in Canada.

Inquiries of the Ministry

[*English*]

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address a question to the Minister of Manpower and Immigration in relation to his statement yesterday that bars would be put on the windows of the immigration department's building to stop rejected immigrants from committing suicide in this way on the premises. Does the minister not consider it would be simpler and more humane to remove the bars in the Immigration Act and regulations?

[*Translation*]

Mr. Marchand: Mr. Speaker, if the hon. member for Ontario wishes us to remove all restrictions from the Immigration Act, I am ready to discuss the matter in the house.

[*English*]

[*Later:*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration a question supplementary to the one asked yesterday and to which he replied a few moments ago, with respect to incidents at the University of Toronto. Is the minister or the government satisfied that no action is called for by the immigration authorities with respect to the conduct of a man who comes here from another country and deliberately advocates that action be taken to bring to a halt the administration of one of our great Canadian universities?

Mr. Speaker: Order, please. The hon. member is asking a very general question. He is asking for an expression of opinion, the way the question is put.

Mr. Lambert: The question is very direct; it is not general.

Mr. Fulton: Mr. Speaker, I was asking for a statement of fact as to whether the government is satisfied that no action is called for under these circumstances.

[*Translation*]

Mr. Marchand: Mr. Speaker, I have received information to the effect that those two young students took part in a quite legitimate demonstration in Canada. All students have this right, and students who come here to receive formal university education have the same rights as others.

[Mr. Marchand.]

[*English*]

FINANCE

INTERNATIONAL GOLD TRANSACTIONS TO SUPPORT DOLLAR

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Does Canada form part of the consortium, and if not has it been consulted by the consortium of central bankers, who have been taking action in the gold market in recent weeks and days in order to protect the dollar? Also, could the minister advise the house how this action may affect Canada and its relationship with the international market?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, Canada is not a member of the so-called gold pool. However, we have been kept well informed of the operations of that pool. We have not been asked to join it. Of course, as the hon. member and the house know, the outcome of the present transactions in the gold market are of the very greatest importance to Canada.

Mr. Lambert: A supplementary question, Mr. Speaker. Does this mean that dealing in futures in the gold market will not apply in Canada as well as in the pool countries?

Mr. Sharp: I would like to take notice of that question, Mr. Speaker.

UNITED NATIONS

REPRESENTATIONS BY CANADA RESPECTING ARAB REFUGEES

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the right hon. Prime Minister. It concerns the terribly difficult question of Arab refugees now before the special political committee of the United Nations general assembly. Can he advise whether the Canadian delegation is to propose any initiative toward the solution of this long standing problem, on which the Israeli representative made some interesting suggestions yesterday?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we have been continually discussing this matter with other delegations at the United Nations. I will have to look into the question to see whether any representations have been made by us in the last few days.

PUBLIC SERVICE

APPOINTMENT OF ADVISORY COMMITTEE ON EXCLUDED PERSONNEL

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I have a question for the President of the Treasury Board arising out of the recommendation made by the joint House of Commons-Senate committee on the public service that within six months of the coming into effect of the law an advisory council to deal with compensation and related matters of excluded personnel be set up. I would ask the President of the Treasury Board whether this council has been set up, and whether he can give us the names of the people appointed to it.

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): As I indicated to the house earlier, Mr. Speaker, the cabinet has agreed to the setting up of such a council. I have been approaching persons to be members of the council. I anticipate that I will be able to announce the names of those appointed by the end of this month.

ADJUSTMENT OF INTEREST PAID ON SUPERANNUATION ACCOUNTS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Finance. In view of the concern of ex-government employees over the government's decision not to adjust their pensions, will the government give consideration to increasing to a more realistic rate the interest which is now credited to the balance in the various superannuation accounts?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, may I take this question as notice.

DRUGS

SUBMISSION BY PHARMACEUTICAL MANUFACTURERS ASSOCIATION

On the orders of the day:

Hon. John N. Turner (Registrar General): Mr. Speaker, yesterday the hon. member for Hamilton South asked me whether I had received a submission from the pharmaceutical manufacturers association of Canada which had been sent to all members of parliament.

Inquiries of the Ministry

In recent months the government has received a number of submissions and representations from the pharmaceutical manufacturers association of Canada. The hon. member for Hamilton South by now will have had, or shortly will have, an opportunity of reading the bill amending the patent and trade marks acts, which has just been introduced. I can assure him that all representations which I have received from any quarter regarding this bill have been carefully considered.

FINANCE

REQUEST FOR COMPENSATION FOR CANADIAN RECIPIENTS OF U.K. PENSIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of National Revenue. On December 6 last I asked the Minister of Finance whether there was any legislation or any regulation which permits the government to compensate Canadians who are in receipt of old age or disability pensions from the British government. In reply he said he would take my question as notice and discuss it with his colleague. Has the minister any further information to give the house on this question, which does concern a good number of Canadians suffering the effects of the devaluation of the pound?

Hon. E. J. Benson (Minister of National Revenue and President of the Treasury Board): Mr. Speaker, as a result of the new Canada-U.K. income tax agreement all pensions from Britain, except certain government pensions which were in force prior to January 1, 1965, are exempt from U.K. tax. Even these pre-1965 British pensions may be received free of British tax if the pensioner elects to have them taxed in Canada.

We have these U.K. forms in all the district taxation offices. They will be supplied to people interested along with instructions on how to apply for a refund of the British tax.

[*Later:*]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the hon. member for Kootenay West asked a question today about British disability pensioners, and my colleague the Minister of National Revenue answered that question. The hon. member had also asked a previous question, and I believe I owe him a reply. The question concerned the effect of devaluation upon these pensions. The answer is that British disability pensioners domiciled

in Canada who have qualified for the Canadian supplement in the past will not lose because of the devaluation of sterling.

Mr. Herridge: I wish to thank both ministers for their complete and comprehensive answers respecting the present situation.

HEALTH AND WELFARE

EQUIPPING OF MOTOR VEHICLES WITH EXHAUST CONTROLS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct my question to the Minister of National Health and Welfare, and ask him whether the officials of his department have now completed their study of the clean air package required by law for all motor vehicles in the United States in 1968.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): No, Mr. Speaker.

Mr. Grafftey: I have a supplementary question, Mr. Speaker. In view of the fact that air pollution is a serious problem in our country, can the minister give us some idea as to when he expects this study to be completed?

Mr. MacEachen: I will be very happy to consider the matter with my officials and give an answer later.

Mr. Grafftey: I have a further supplementary question which I should like to direct to the Minister of Transport. Can the minister tell us whether, in so far as the matter involves transportation, the officials of his department are looking into this very serious matter of a clean air package for motor vehicles in 1968?

Hon. Paul Hellyer (Minister of Transport): Yes, Mr. Speaker.

CANADIAN CONSTITUTION

INQUIRY AS TO FURTHER CORRESPONDENCE ON PROPOSED CONFERENCE

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the Prime Minister whether there has been any correspondence with the provinces regarding the proposed dominion-provincial conference on the bill of rights, additional to that which was laid on the table of the house on November 21 and printed as an appendix to *Hansard* of that day. If there has been, would the Prime Minister be so good as to seek consent to have it laid on the table of the house before the recess next week and have it similarly printed?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I will be glad to do that. To the best of my recollection there has been only one suggestion for an additional subject, and that is the B and B report. There may be others, but provincial leaders have indicated they would not like to have the agenda restricted to subjects already on the agenda, and we are very much in favour of that.

In that way the conference can be the beginning of a consideration not only of these specific subjects but of the process of constitutional revision, and with that purpose in mind we are setting up in the federal government a special office of qualified officials and others who would be giving full time consideration to the agenda and to other problems before the conference opens.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question.

I should like to ask the hon. Prime Minister whether he expects to receive the other volumes of the report by the Laurendeau-Dunton commission before the federal-provincial conference which is called for February next.

[*English*]

Mr. Pearson: No, Mr. Speaker, I doubt that they will be ready before February 5. However, I have been in touch with the commission to urge them to complete the other volumes as quickly as possible. As the house knows, I have been informed that they might be completed in the new year.

Mr. S. J. Korchinski (Mackenzie): I should like to address my question to the Prime Minister. In view of the obvious importance of maintaining a proper perspective on all aspects of the B and B commission report, can the Prime Minister give us now or will he undertake to obtain from the commission a rough estimate of when the remaining volumes of the report will be available?

Mr. Speaker: Order. I have the impression this question was just asked by the hon. member for Lapointe.

POST OFFICE DEPARTMENT

LIBAU, MAN.—PROTEST ON TRANSFER OF POSTMASTERSHIP

On the orders of the day:

Mr. Ed. Schreyer (Springfield): My question is for the Postmaster General. Last Wednesday, I believe, the hon. member for Selkirk asked the Postmaster General if he would reconsider his decision to transfer the post office at Libau, Manitoba. The question was taken as notice in the absence of the minister. Can he now reply to that question?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, the situation in Libau seems to be quite normal at this time.

[*English*]

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, the Postmaster General must surely be aware that a petition is being circulated in Libau asking for his resignation. He could stave off this petition by acting in a manner that will settle the question in Libau once and for all.

Mr. Schreyer: If I understood the Postmaster General correctly, Mr. Speaker, I believe he said the situation was normal. I wish to ask him if he would now take the opportunity to correct two matters of fact which he misstated here in replying to my question on Tuesday. This almost amounts to a question of privilege, Mr. Speaker.

The Postmaster General stated that the two facts upon which he relied in making the decision to transfer the post office were, one, that the post office had changed hands three times in the past four years. Upon checking I am informed the post office has changed hands only twice in 30 years.

Mr. Speaker: Order. The hon. member knows that at this stage of the proceedings he can only ask questions; he cannot make speeches.

Mr. Schreyer: This is a question of privilege, Mr. Speaker. I should like to ask the Postmaster General if he will not take the time now to correct his statement.

Mr. Speaker: Order. This is not a question of privilege. I fail to see how the hon. member's privileges have been affected by the situation of which he complains.

Mr. Schreyer: I suggest it is a question of privilege because the Postmaster General misinformed this house in replying to my question.

[*Later:*]

Mr. Schreyer: Mr. Speaker, I should like to ask the Postmaster General whether he would not show a sense of grace and magnanimity in this matter and transfer the post office—

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, on a question of privilege.

I do not have to accept any lesson from the hon. member as concerns my conduct as Postmaster General. I believe that since I have been here I have done everything I could to satisfy everyone.

As for the post office of Libau, the member charged me a moment ago with misinforming the house because I said that this post office had changed hands at least three times since 1962. I do not have the exact dates on hand because the file has gone back to the department, but I can assure members of the house that the business establishment or the building where the post office used to be has been sold three times. All postmasters who operate a business in the same premises should be told that they cannot sell the post office when they sell their business.

The present postmaster is a resident of Libau. Every time the postmaster changed, in the same business, it was always someone from outside who purchased the business and it is a policy of the department to appoint residents of the community where the post office is located whenever a postmaster has to be appointed.

I would not want this question to become a political issue, Mr. Speaker, because I have discovered that the demonstration which took place had been organized by certain members of a certain party.

Some hon. Members: Hear, hear.

[*English*]

Mr. Schreyer: Mr. Speaker, in order not to make it difficult for Your Honour I shall confine my retort to a very short question. Will the minister refer this matter to an appropriate committee of this house so the circumstances can be properly investigated?

[*Translation*]

Mr. Côté (Longueuil): No, Mr. Speaker, I can take decisions.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

[*English*]

Mr. Schreyer: A supplementary question, Mr. Speaker. If the Postmaster General refuses to refer this question to an appropriate committee of this house or to any impartial tribunal, may I ask him whether he will not take the opportunity next week, after reading his reply to my question on Tuesday last, to correct his statement which on at least two matters of fact is completely erroneous.

Mr. Speaker: Order. We are again obviously getting into a debate on this question. I suggest to hon. members that we might well go on with orders of the day.

COMMONWEALTH RELATIONS

RHODESIA—REPORT ON SANCTIONS BY UN SECRETARY GENERAL

On the orders of the day:

Mr. David Lewis (York South): I should like to direct a question to the Prime Minister in the absence of the Secretary of State for External Affairs. In view of the fact that the Secretary General has tabled a report with the security council on the effects of mandatory sanctions against Rhodesia, can the right hon. gentleman inform the house whether the commonwealth members are having or are planning to have a further meeting on the question of sanctions?

Right Hon. L. B. Pearson (Prime Minister): I should like to check, but my recollection is that they had a meeting last week at which they considered this report, among other things. I will try to find out whether they are having another meeting next week.

Mr. Lewis: May I ask a supplementary question. In view of the right hon. gentleman's very great contribution to establishing the sanctions committee and the steps that have followed, can he inform the house whether Canada has formulated any proposals for overcoming the obstacles which the sanctions have encountered?

Mr. Pearson: I think we ought to study the United Nations report first. It was just received a few days ago. After we have studied that with the other members of the commonwealth, then we will be in a better position to report on what should be done with regard to this matter.

Mr. Howard Johnston (Okanagan-Revelstoke): May I ask a supplementary question about the sanctions report. Can the Prime Minister tell the house whether we are now purchasing from the Union of Soviet Socialist Republics the chromium we used to buy from Rhodesia?

[Mr. Côté (Longueuil).]

Mr. Pearson: I do not think so, Mr. Speaker, but I should like to look into that matter.

TRANSPORT

PRINCE EDWARD ISLAND—REQUEST FOR ASSURANCE OF CONTINUED RAIL SERVICE

On the orders of the day:

Mr. Melvin McQuaid (Kings): I should like to direct a question to the Minister of Transport. I should like the minister to assure the house and the people of Prince Edward Island, if he can, that there will not be any curtailment of the present passenger service by rail—I stress those words "by rail"—between Charlottetown and Borden.

Hon. Paul Hellyer (Minister of Transport): I will have to take the question as notice and refer it to the railway company, because it is a matter within their jurisdiction.

PUBLIC SERVICE

PENSIONS OF RETIRED CIVIL SERVANTS—REQUEST FOR RECONSIDERATION OF INCREASE REFUSAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Prime Minister. When the Prime Minister is making up the list of things to attend to before he leaves office, will he put on that list a reconsideration of the question of pension increases for retired civil servants, in line with his statement that he hoped this reconsideration would be possible soon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I have stated that we hope the situation will be such that we will be able to reconsider sympathetically this very difficult problem. I hope the situation will so improve during the remainder of my period on this side as Prime Minister that this may be possible. Perhaps it would be also a good thing to reconsider, in these circumstances, the question of members' pensions.

HISTORIC SITES AND MONUMENTS

FORT OGILVIE, N.S.—REQUEST THAT DEMOLITION BE CANCELLED

On the orders of the day:

Mr. J. M. Forrestall (Halifax): I should like to direct my question to the minister for Indian affairs. I should like to ask the minister if it is at all possible for his department to reconsider the recent decision to demolish Fort Ogilvie, near Halifax.

Mr. Speaker: Order. The hon. member has made his representations to the minister now.

CANADIAN CENTENNIAL

INQUIRY AS TO PROVISION FOR STAFF OF COMMISSION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): In the absence of the Secretary of State, Mr. Speaker, may I direct my question to the Prime Minister regarding the staff of the centennial commission. On May 20, 1965 Mr. Lamontagne, who was then secretary of state said, as reported on page 1501 of *Hansard*:

> I want to assure the staff of the commission that everything will be done to ensure that they suffer no hardship or sudden break in employment when their task has been accomplished.

In view of the fact that I understand over 50 of the fairly senior employees of the centennial commission have not been placed in any employment, may I ask if the government is making any endeavour to see that this commitment made by Mr. Lamontagne is carried out?

Right Hon. L. B. Pearson (Prime Minister): I understand the Public Service Commission is doing its best in this regard. I will make some inquiries.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a complementary question to the right hon. Prime Minister.

Could he tell us whether the centennial commission is to make a financial report and whether this report will be presented to the house?

[*English*]

Mr. Pearson: I should expect there would be a report.

AGRICULTURE

INQUIRY AS TO ASSISTANCE CHEQUES FOR CROP FAILURE AREAS

On the orders of the day:

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, yesterday the hon. member for Rosetown-Biggar asked me a question about P.F.A.A. payments which I undertook to answer today. I understand payments commenced on December 1, and some half million dollars has been paid. Most of the inspections have been completed and payments will continue. Inspections in the Peace River area will not be completed until late spring. They are the only ones with which we contemplate any delay. Total payments are anticipated to be in the neighbourhood of $12 million, and these payments will be made as far as possible by the end of January.

FISHERIES

INQUIRY AS TO SUPERVISION AND CONTROL OVER SEAL HUNT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I desired to ask a question of the Minister of Fisheries, but he seems to have disappeared for the moment. Since he was here a couple of moments ago perhaps I can address the question to him and he can take it as immediate notice. I understand the minister is behind the curtain, so if he will come into the house I will ask my question.

In view of so many authoritative complaints about the last seal hunt and matters within the jurisdiction of Canada, may I ask the minister whether new and special provisions will now be issued under the authority of the minister for the next hunt and killing of baby seals.

Hon. H.-J. Robichaud (Minister of Fisheries): Mr. Speaker, as I have stated many times in this house, proper supervision and control were exercised last year during the seal hunt. If at all possible, still better supervision and control will be exercised during the next season.

Mr. Winch: A supplementary question, Mr. Speaker. In view of the fact that the report of the minister to the house has been contradicted by those who attended the hunt in a supervisory capacity, will there be any special provisions and supervision this year?

Mr. Speaker: Order.

Inquiries of the Ministry

Mr. Robichaud: Mr. Speaker, may I be allowed to answer this question. Those who were sent to the hunt by the S.P.C.A. reported exactly as I stated in the house. Responsible observers reported that control was adequate, and that there has been much improvement in the last two or three years.

Mr. Lloyd R. Crouse (Queens-Lunenburg): A supplementary question to the Minister of Fisheries. In view of the importance of the sealing industry to the economy of the Atlantic provinces, could the minister state whether the price of seal skins has improved so it will be economically possible for those engaged in this industry to carry on this year?

Mr. Robichaud: I am sure the hon. member is aware that in view of the most unfortunate propaganda about this operation on the part of irresponsible observers the price of seal skins has been depressed so much that the livelihood of those who depend on this operation for a living has been affected. However, Mr. Speaker, I hope that the new regulations which will be introduced next year whereby the season will be reduced by delaying the opening date, both in the gulf and on the front, will have a beneficial effect on the market.

Mr. Robert Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. I wonder whether the Minister of Fisheries could advise the house as to how many years these so-called experts in sealing have been in the business, to give the minister advice.

Mr. Robichaud: Mr. Speaker, the advice which the department is acting upon is given by experts who have engaged in this particular aspect of research for the last 25 years. I feel they are much more responsible than the reports I have been given by those people referred to by the hon. member and who have no interest whatsoever in this operation.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, on a question of privilege—

Mr. Speaker: Order. I wonder whether hon. members do not feel that we are now into a debate.

Mr. Muir (Cape Breton North and Victoria): On a question of privilege, sir.

Mr. Speaker: Order, please. The hon. member for Trinity-Conception.

[Mr. Speaker.]

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to know from the minister whether his department has considered prohibiting the taking of seals by aircraft.

Mr. Robichaud: Mr. Speaker, I would not say we have considered abolishing completely the operation of aircraft in this hunt, but we have been in communication with the Department of Transport in order to better control and limit the use of such aircraft.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I have a further supplementary question. The minister completely misunderstood my question. I was not referring to the experts within his department; I was asking about these so-called experts who are trying to advise the Minister of Fisheries and his department, and who are outside the department.

Mr. Speaker: Order, please. There seems to be agreement now between the minister and the hon. member.

Mr. Robichaud: Mr. Speaker, I understood perfectly the question put by the hon. member.

Mr. Winch: A further supplementary question, Mr. Speaker. In view of the statement by the minister may I ask him whether he would be prepared to go before the agriculture committee on this matter and have evidence presented on every side of the question.

Mr. Robichaud: Mr. Speaker, this is a matter that concerns the Department of Fisheries, not the Department of Agriculture.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, could the hon. Minister of Fisheries inform the house whether he has considered adding an observer from the Progressive Conservative party and from the New Democratic party to the list of government observers?

[*English*]

An hon. Member: What about the trained seals over there?

Some hon. Members: Oh, oh.

Mr. Speaker: Order. We are now passing on to a new subject.

• (11:50 a.m.)

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed, from Thursday, December 14, consideration of the motion of Mr. Trudeau for the second reading of Bill No. C-187, respecting divorce.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I am not sure whether you can hear my voice but I will do my best. Last night when I was speaking in this debate I sought to outline in general terms the main objection which I and some others have to the bill we are discussing. This objection is that it fails to accept a new approach to the question of determining the proper basis for divorce, that new approach being by way of marriage breakdown.

May I turn now to discuss the present bill in the light of the general observations I have made. The main provisions of the legislation are contained in clauses 3 and 4. Clause 3 provides that adultery, cruelty and certain other matters shall be grounds for divorce. Cruelty includes both mental and physical cruelty so as to "render intolerable the continued cohabitation of the spouses." It is fairly obvious that if the breakdown principle were adopted such a situation would be clear evidence of marriage breakdown and the petitioner would be able to obtain a divorce on that ground without specially naming cruelty. Clause 3 retains as a ground for divorce the commission of the act of adultery. Under the breakdown theory, if it were adopted, it might well be that an act of adultery or continued acts of adultery would form the basis of a breakdown of a marriage. However, there might well be circumstances in which the commission of an act of adultery would not be sufficient ground for saying a marriage had broken down. There seems little reason why the law should concentrate on such a superficiality, if I may use such language about conduct which is clearly wrong and which may, indeed, wreck a marriage. But, after all, it is a wrong which is nearly always a symptom rather than the cause of the failure of a marriage.

If the law is amended as proposed by the minister we shall continue under the new law to hold trials based upon contrived hotel and motel assignations. This will continue to be the easiest way to secure a divorce. Its popularity, in the sense of its frequent adoption, will continue, and I suggest the abuses attached to it will remain.

Clause 4 pays lip service to the idea of the breakdown of a marriage as a ground for divorce. It lists a number of situations which are said to constitute a permanent breakdown. However, it will be noted that subclause 2 provides that a permanent breakdown of a marriage is deemed to have been established when any of the circumstances named in subclause 1 are shown to exist.

Perhaps the minister will tell us later whether this is intended to be what lawyers call an irrebuttable presumption. I assume it is. In other words, once any of these circumstances has occurred it is presumed that the marriage has broken down. If this is the proper interpretation, and I believe it is, what is the purpose of referring to permanent breakdown at all? The individual paragraphs themselves spell out the circumstances which are the basis for divorce. May I point out that these specific headings make no provision for other circumstances not listed which may cause the breakdown of a marriage. They therefore restrict the courts on occasions when the courts should, I suggest, grant a divorce—cases in which the marriage is clearly dead but the circumstances do not fit into the pigeonholes of the bill.

On the other hand, the clause presumes the irreparable breakdown of a marriage whenever any of a list of circumstances exist. This is quite apart from any marriage breakdown. Imprisonment for a long period may well lead to a marriage breakdown, it is true, but I cannot understand why imprisonment alone, unaccompanied by evidence of marriage breakdown, should be a proper ground for divorce.

One of the unfortunate features of the bill before us is that it continues all of the present rigmarole which lawyers know as the three C's—collusion, connivance and condonation. These are the formulæ whereby the dissolution of a marriage can be refused on the ground that the parties have agreed to it, have forgiven an act of misconduct complained of or have encouraged its commission. I believe all lawyers familiar with divorce cases are well aware of the farce which is carried on in the courts whereby a petitioner for divorce is drilled to repeat a firm denial that he has offended against this formidable though somewhat unintelligible legal proposition.

The bill goes even farther. I do not know whether it intends to do so, but I invite the attention of the minister and the house to clause 9 which provides that it shall be the duty of the court to refuse a decree based upon the consent of the parties. In the context it may have been intended that this should refer to formal, written consent. But it might well be interpreted by the courts to mean that where the parties have consented to a divorce or to the circumstances upon which the divorce is based, a decree must be refused.

Take the question of separation. Suppose the parties have been separated for not less than three years, as mentioned in the bill. Such a separation might obviously be the subject of consent. Indeed, it could be the subject of legal agreement, and the parties might well have contemplated that at the end of the period of separation one or other would seek a divorce. Under the wording of this bill would it not then be the duty of the court to refuse to grant divorce on the ground that the petition was based on the consent of the parties?

Mr. Trudeau: Would the hon. member permit a question? Taking the example he has given, would not the consent be consent to the separation, not consent to the divorce? In other words, the court would be passing judgment not on the consent to separate but on the issue of divorce.

Mr. Brewin: I confess the wording is ambiguous. It says the court should refuse a divorce based on consent. If the court found that the consent of the parties was the basis of the divorce proceedings it might well interpret the bill as saying that divorce should be refused, and this would negative the provision for divorce based on separation. I suggest to the minister that before we get to committee this point be looked at again in order that the sense of it may be clarified, because the reality of the matter is that many divorces are and always will be based upon consent, whatever subterfuges may be forced on the parties to conceal the element of consent.

• (12 noon)

I agree with many hon. members who have the view that divorce should not be based solely on consent. The marriage contract is not a mere private contract of partnership that can be terminated at the will of the parties. Marriage creates obligations with which the state is concerned. It is important that there be independent tribunals so that people cannot unilaterally, or even by agreement, get out of the obligations created by marriage. I am not suggesting that agreement by itself should be sufficient to bring about a divorce, but it is quite unrealistic to say that because the parties happen to agree they should not have a divorce. Under existing law, as a lot of people know, many divorces are arranged, but it is nevertheless necessary for the parties to go through a parade of empty words before the courts. They are obliged to swear on oath that in fact there is no element of agreement or consent although this is often not true.

It is in this context that I want to deal with the provisions of the bill with respect to reconciliation. I suggest they will be virtually useless. Clause 7 provides that the legal adviser should draw attention to the provisions of the legislation with regard to reconciliation. Clause 8 provides that the court may adjourn a hearing for divorce in order to afford an opportunity for marriage reconciliation or marriage counselling. Judging by the experience in divorce courts today, the total effect of this is likely to be the addition of some extra words to the formal pleadings, plus the addition of a few extra sentences at the trial. Counsel or the judge will ask a few perfunctory questions about attempts at reconciliation. This is particularly true where the divorce is based upon the old grounds of adultery and matrimonial misconduct. Now lawyers will have to add another formula to the three c's they have been asking about in the past.

However, I point out that if the breakdown principle were adopted it would alter the existing situation. In that case it would give substance to the question of reconciliation. A judge would not make, except in the case of a long separation, a finding of complete breakdown of the marriage until satisfied that a reasonable attempt at reconciliation had been made. This would make it a matter of substance rather than a mere matter of formality.

If I may sum up on this aspect of the bill before us, Mr. Speaker, I wish to say that it is really a continuation, with changes, of the old system. It rejects a new approach. It seems to me to be quite ridiculous for the government to say, as many members supporting it have said, that public opinion is not ready to accept such a sweeping change in the law and that we must maintain the old, familiar concepts. The fact of the matter is that the churches, usually noted for a

conservative approach to questions of marriage, have opted for the new approach and have urged it upon the government.

The churches are naturally conservative in matters of this sort. Although they have disclaimed any intention of forcing their opinions upon others who do not share their faith, they are particularly concerned about the stability of the family and marriage as a permanent institution. But the churches have been able to say, and nearly all of them have said, that when a marriage has broken down and there is no hope of reconciliation the institution of marriage is more honoured by declaring that it is at an end than it is in trying to maintain empty legal ties. In these circumstances I find it strange to hear a Liberal government, and a Liberal party that prides itself on being a party of reform, maintain that the churches have gone too far and are too radical and that public opinion will not accept such a change. It is not just the churches which have urged the new approach. Social workers, experts in mental health, councils of women and some of the most experienced lawyers have also given their support to the new approach.

Now that the government has accepted the other, more old-fashioned approach, the approach adopted in Britain more than 30 years ago, and has declared this bill to be a government measure, I suppose there is little likelihood of a quick change of mind and we shall once again have to accept the second best. However, I hope that this discussion and the issues involved will be the subject of widespread examination by the Canadian people, and that it will not be too long before the legislators as well as the people are ready for a totally new approach to the question.

There is one other general matter, although it is partly a matter of detail, of great importance in regard to the bill that I wish to raise. I refer to the decision of the minister and the government to turn down the unanimous recommendation of the joint committee of the Senate and House of Commons that jurisdiction in respect of divorce in provinces other than Quebec and Newfoundland should be conferred upon county and district courts and not confined to supreme courts.

The committee heard a strong plea in this regard from former Chief Justice McRuer of the Supreme Court of Ontario. He pointed out that judges of the Supreme Court of Ontario—and I think the same is true in other provinces—go on circuit throughout the province. They may visit a particular county town once in five years or ten years or only once. Therefore the judges of the Supreme Court are not accessible in large parts of the country. Yet this bill gives jurisdiction to that court with regard to all sorts of ancillary and corollary provisions dealing with maintenance and custody, provisions that have been varied from time to time and which require constant supervision. The minister has said that the matters involved in divorce are at least of equal importance to property matters dealt with by the highest courts. Of course they are as important, perhaps more important, but intimate family affairs are better dealt with by a court closer to the people and more accessible to the people.

Another advantage of transferring jurisdiction to the county courts or district courts would be that it would substantially cut down the cost of divorces. This is surely an extremely important matter. I wonder why the decision of the committee, which was composed of many lawyers from all parts of Canada serving both in the Senate and the House of Commons, was turned down. I can only suspect that someone with a more academic acquaintance with the subject decided that the matter should be confined to the supreme courts alone. I urge the minister to reconsider this point.

Mr. Trudeau: If the hon. member will accept a question, does he know that all provinces can, and some provinces do, provide that county court judges be also named to the position of local judges of the supreme or high court?

Mr. Brewin: This is an elaborate procedure. It would not cut down the cost. You would have to go to the supreme court to have the matter referred and, when referred, it would be subject to review by the supreme court.

Mr. Trudeau: I am afraid the hon. member's academic knowledge is not good enough.

Mr. Brewin: It may not be, but I have a great deal more practical experience in this field, a great deal more experience than the minister has ever had or is ever likely to have.

Mr. Deputy Speaker: Order. I must advise the hon. member for Greenwood that the time allotted to him has expired.

Divorce Law Reform

Mr. H. E. Stafford (Elgin): Mr. Speaker, today, in 1967, we are discussing the proposed reform of a law we inherited in 1867 that was based on the English law of 1867, which law was completely altered in 1937, and is more antiquated than the law of Rome in 37 B.C. The world of our great-great-grandfathers was a completely different world from our world in this centennial year. Yet most of our social laws have hardly changed. No laws in Canada are crying out more for reform than our divorce laws. They cause more suffering than did the rack in the middle ages.

• (12:10 p.m.)

It would be an ideal world if every married couple lived happily ever after. For various reasons marriages go on the rocks, families break up. The reasons are legion. It may simply be because the wrong people went to the altar. It may be because of the immaturity of the partners, a failure to adjust, lack of understanding of the responsibilities of marriage, or even simple selfishness on the part of one partner or both. I have personally seen dozens of situations where because of one mistake people have been condemned to unhappiness and frustrating loneliness owing to our antiquated and uncivilized divorce laws.

For example, I recall the case of a girl who married at the age of 18. Three months later her husband deserted her. A child was born seven months after the desertion. Since that time the husband has travelled all over North America. She has attempted almost frantically to obtain evidence of adultery on his part. She has been unable to afford the tremendous detective fees and 15 years later is still trying to find evidence of adultery. During this period of 15 years she has supported herself and her daughter. The daughter is now a lovely teenager going to high school. For the past ten years this woman has wished to remarry. She refuses to live with the man with whom she is in love because of her child and her own religious views. Here is a girl who has excellent marital prospects but because of a youthful mistake is confined to a form of imprisonment from which there is at present no escape.

Many people, of course, do not have the self-discipline and views of the lady I just mentioned. Personally I know of hundreds of so-called common law relationships. In most cases illegitimate children are born and in many cases the couple live together as happily as possible. However, they live together under tension created by the fear that their neighbours, friends and fellow workers may find out. When the children start to school the names on the birth certificates create crises. The sense of guilt, the recurrent feelings of insecurity, are always just below the surface. Unhappiness is not only promoted; immorality and illegitimacy are invited.

One of the strongest indictments against our present divorce law is the fact that disrespect for the law is the natural result. This disrespect amplifies into a disrespect for all laws. Seldom is adultery the real cause of a marriage breakup. In order to obtain a divorce adultery must be found or created. My experience in hundreds of these cases has convinced me that in only a very small percentage is there not perjury or collusion. I have observed almost a contempt for the law in the minds of the people involved. This is a most natural human reaction, because how can a law be respected when a single act of adultery is considered far worse than 20 years of beatings or far worse than a man deserting his family or going to jail for 20 years? On no rational or religious grounds can such laws be defended.

May I say a few words about the marriage breakdown concept. There is no doubt whatsoever in my mind that when a marriage has irretrievably broken down it should be dissolved if one of the parties desires dissolution. This would not be a case of breaking up a marriage; it would simply be a case of making legal what has in fact already happened. To confine ourselves to the principle of matrimonial offence is to give no relief to either party when a man and wife without misconduct or matrimonial offence, have become so estranged as to be beyond the possibility of reconciliation. It would give no relief either when the so-called innocent party refuses to take the initiative and seek a dissolution, preferring to imprison the other party within bonds which become meaningless.

The elimination of the marriage offence provision and substitution of the breakdown theory would result in something which would be difficult to carry out in practice. The law must have definite rules; otherwise the people affected will not know where they stand and the lawyers who advise them will not be in a position to give definite advice.

In the past few months I have attempted to give the problem very serious thought in the light of my own practical experience and particularly in the light of the experience of

others who have been closely connected with the practical problems. I have concluded that the proposed bill is excellent and that the retention of the matrimonial offence theory, plus the introduction of the marriage breakdown theory, is by far the most realistic and practical approach.

If divorce were to be granted solely as a result of the breakdown of the marriage, the result could well be long delay in determining whether the marriage actually had broken down even though the situation was crying out for a remedy. The fact is that the vast majority of problems will be solved under the matrimonial offences provision. Those that will not be solved under this provision will be solved under the recognition of marriage breakdown, proven by three years of separation and subject to the discretion of the court. I have observed over the years that once a couple has actually separated for a considerable period of time the chances of reconciliation are very slight. When one party has indicated a desire for divorce and has commenced proceedings the chances of reconciliation have been reduced to almost nil.

I am pleased to note the presence of clauses 7 and 8 which relate to marriage counselling and reconciliation. In considering the whole question of marriage and divorce our prime objective to promote marriage and to protect the family must be maintained. When a marriage has deteriorated to the point where one of the parties is actively considering the dissolution of the marriage bond, the likelihood is that the marriage has deteriorated beyond repair. The marriage then has gone beyond the point of no return.

We agree that the time for counselling and the educational process is before the first cracks in the marriage begin to occur. This period is both before marriage and early in marriage. Sometimes we do not appreciate the adjustment required by marriage. Two persons who had no need whatsoever to consider the interest of anyone but themselves suddenly must adjust and accommodate each other. This adjustment carries on throughout life and marriage as people change.

As soon as possible we should make provision for counselling. This should be patterned on the provision introduced in Australia in 1961. Australia's matrimonial causes act provides for support to marriage guidance organizations. As I understand the act, provision is made for both voluntary and full time counselling services for both premarital education and marital counselling. A complete program and network must be set up. The availability of this program must be known generally. The reluctance to seek help must be overcome. There must be no shame or stigma attached when both parties actively and sincerely seek assistance. Many marriages which would otherwise be broken can be made viable and happy if help is given early enough.

The bill, unfortunately, does not follow the recommendation of the committee with respect to giving jurisdiction to the county courts. Like the hon. member for Greenwood (Mr. Brewin) I am in favour of giving the county courts concurrent jurisdiction with the supreme courts in the matter of divorce. In Ontario actions for divorce have taken their place in a long list of cases to be tried as rapidly as possible in a short time. If there are recurrent problems it is impossible in most cases to arrange to have the matters brought before the same judge who heard the case in the first instance. In the county courts, on the other hand, the judges are local. Appointments can readily be made and orders with respect to children and maintenance can be explained or reconsidered with the minimum of procedure. By this means costs could be greatly reduced. Of course, when we reform our divorce laws the divorce rate will increase. For a time, of course, the number of cases will increase greatly because of the great backlog of broken marriages in respect of which relief has been denied. After this accumulation has been taken care of the rate will still be higher than previously. This need not alarm us, however. The increase will simply reflect the reduction in common law marriages.

• (12:20 p.m.)

I disagree with the view that an increase in the divorce rate indicates a weakening of the institution of marriage. On the contrary, the fact that a person seeks a divorce to bring to an end a shell of a marriage is an indication of greater respect for the institution of marriage. It is the widespread common law marriages with their illegitimate children that seriously threaten the institution of marriage. The great reduction in the indicence of these relationships that will follow the enactment of this bill will strengthen and foster both marriage and the family.

We in Canada had a great ability to retain our Victorianism in the twentieth century. While England, Australia, New Zealand, Scotland and other commonwealth and European countries have reformed their divorce

laws to reflect modern conditions and views, we have lagged behind. We have not only lacked the courage to innovate, we have lacked the courage to follow. We have condemned tens of thousands of our people to unhappiness and immorality. While thinking we are perserving the family we are in actual fact undermining the family. Let us make this a real centennial year for all those we have imprisoned through our archaic laws by passing this bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to congratulate the hon. member for Elgin (Mr. Stafford) in spite of the fact that he and I part company on one aspect of the problem which faces us. I suggest to him that if he will read his speech in *Hansard* tomorrow he will see that the arguments he has made in fact buttress, support and lend foundation to the belief which I hold and which has been expressed by the hon. member for Greenwood (Mr. Brewin) and other members on this side, that irretrievable marriage breakdown with certain safeguards can be the only ground upon which a marriage can be dissolved. It is my belief after listening to the hon. member that his arguments point in that one direction.

In any event, legislation of this kind touches closely and deeply the social conscience of all of us, as it must. I think that when we come to methods we must weigh any legislation on the scales of balance of the good of society. We must decide what are the good points and what are the bad. We must place on the scales the different views we hold and the different points we advance to find out whether on balance the good features of this legislation outweigh the bad. With great reluctance I must say I will vote for this bill on second reading because there is certain specific good it will do, but I must also say that there are many aspects which I think it is a great pity the government has seen fit to introduce in the legislation in the face of what I believe is an irresistible movement toward accepting the marriage breakdown philosophy as being the sole ground for dissolution. In my judgment, and I venture to make a prediction, within ten years most of the countries which have now dealt with the problem of divorce will have embraced the philosophy of marriage breakdown as the sole ground for divorce.

What are the good points? The very fact that there is a change and that this legislation breaks loose the solid grip in which this country has been held for so many years in regard to the very serious and difficult social problem of divorce is good. The minister, the hon. member for Elgin (Mr. Stafford), and others have said that the subject of divorce takes us back to the first divorce bill in the United Kingdom around 1857 which, as a matter of fact, was simply a restating of old ecclesiastical law developed over many centuries. It provided that adultery would be the ground, not for the dissolution of marriage, and I hasten to point that out, but for divorce from bed and board. The only exception to that was, I think, shortly after the accession of King Henry VIII to the throne and his becoming head of the church. He, being somewhat of a marrying man, came to the conclusion that he either had to cut off his respective wives' heads or divorce them. He decided that it was probably less expensive to cut off their heads than to go through the process of divorce.

Mr. Knowles: We have made some progress.

Mr. Baldwin: Outside of that exception in Great Britain, in ecclesiastical law adultery was the ground not for dissolution of marriage but for separation from bed and board. Late in 1857 this was brought up to date and allowed for the dissolution of the mariage in the United Kingdom and so became the law in Canada. It has subsisted here for some 100 years. Now we are at least making a change. We are breaking out of the grip in which these ancient laws have held us.

Another provision has been introduced in the bill which I have no hesitation in saying is an improvement, and I refer to the provisions in respect of domicile. Many members of the bar who have struggled with the very difficult problem of domicile in the ten provinces are very glad, I am sure, to see that the recommendation of the joint committee has been virtually adopted so that there may be Canadian domicile. This will do away with the double standard and put married women, to all intents and purposes, in the same position as their husbands. I congratulate the minister and the government on this very excellent change which is so very desirable.

With regard to the introduction for the first time into the courts dealing with matrimonial issues of these provisions for certain conciliation procedures, I think they are fumbling and weak and that a great deal of difficulty will be experienced in trying to apply them. But at least this is a beginning. This is not an easy problem because of the

lack of precedents. It is only recently that in Australia and New Zealand, and I believe in the United Kingdom, a somewhat similar proposal has been the subject of serious consideration. Society must regard the institution of marriage as its most important unit. Society must be concerned, as well as the individuals who are involved, with making every effort to preserve marriage and to preserve couples in the bonds of matrimony for the sake of society, for the sake of the children and for the sake of everything else that is involved.

The other day I spoke on this subject to a club in Calgary. A meeting had been held, sponsored by the university there, at which some professor had made a speech. The next day in the newspaper headlines appeared to the effect that this professor had suggested that the cure for divorce is trial marriage. This is a very interesting suggestion but it seems to me it involves one of the difficulties we face today. Many television programs and books relating to the disintegration of the bonds of family units make the suggestion that there can be a complete abandonment of those things that have been held sacred and upon which western civilization as we know it has been fashioned and improved. This is a very dangerous suggestion and I welcome any attempt, no matter what its faults may be and no matter what defects we may see in it, on the part of the government to recognize the role of the courts and government services to try to preserve marriage and to link this attempt with the new divorce procedure. I think any such recognition is excellent and represents a step forward. My guess is that within five or ten years so many changes will be made in these procedures that the minister will not recognize them.

• (12:30 p.m.)

I should now like to state very briefly my criticism of this aspect. I think there will be a tendency for an automatic approach to the procedure in regard to conciliation. Lawyers consulted by a litigant seeking a divorce will now be compelled to give certain advice to their clients and they must endorse this fact upon the pleadings. The court is directed to give the respondent, if he or she is available, as well as the petitioner notice that these conciliation procedures are available. I think it will become automatic in the same sense as today there are automatic questions and answers with regard to condonation and collusion. However, this provision is a start and to that extent I am very happy to see it in the bill.

I am also pleased to see that at long last we have done away with that travesty of the legislative process by which parliament was required to sit as a judge and deal with private bills for the relief of people seeking divorce. For too long this has been a black mark on the record of parliament. I am very happy to note that the procedures contained in the bill will provide, first, for a divorce division of the exchequer court and ultimately, I hope, the provinces of Quebec and Newfoundland will see fit to clothe their courts with jurisdiction to dissolve marriages by the method provided in the bill.

I am also very very glad to see that the opinion given by Mr. Driedger, then deputy minister of justice, to the committee to the effect that in his opinion—I should say that he hedged it with the statement that he was giving it not necessarily as deputy minister but as his personal legal opinion—the parliament of Canada has jurisdiction to deal with ancillary and related matters of custody of children, maintenance and alimony. In fact, I think Mr. Driedger went as far as to suggest that this jurisdiction would include dealing with judicial separation.

This is something to which we may have to come in due course. I recognize that various provincial legislatures have dealt with this question. It is a subject that has not been dealt with by a federal government. I doubt that a case dealing implicitly with this question and which has established a binding precedent has been dealt with by the supreme court. I am glad to see that parliament will now recognize this question so that we will ultimately have a situation where one court alone can deal with all the issues which are so closely and intimately related to marriage and its dissolution.

Finally, Mr. Speaker, another good feature of this measure is that at long last there will be an opportunity for the thousands of people all over this country, who have for so many years been handicapped because of the grim rigidity of our divorce law, to legitimize the unions which so many of them have in good faith and with the best intentions in the world entered into. I think all of us know people who because of the reluctance of the other party, religious scruples or various other reasons have not had a legal dissolution of their marriages, and one party has then entered into an illegal liaison with somebody else and children have been born of that

union. In some cases these unions have subsisted since the first world war. I believe that this bill, through its provision dealing with marriage breakdown will bring relief, help and assistance to the thousands of people who have waited so long for such a measure to be introduced.

Having said that, Mr. Speaker, I have exhausted all the good things I can say about the bill. I must say that I thoroughly agree with the hon. member for Greenwood (Mr. Brewin) who said it was unfortunate that the government and the minister had not seen fit to adopt the principle of marriage breakdown. In respect of that aspect of the bill which attempts to bring together these obviously opposing views, I can only say that in my opinion it is a ramshackle, motley conglomeration of inconsistent and irreconcilable proposals which will never work. It is my belief that within a few years whatever government is in power will be asking parliament to enact necessary and essential modifications to the law in this respect.

This bill continues the principle of matrimonial offence whereby one person must be the offender and the other must be innocent. One is black, one is white; one is guilty of a matrimonial offence, the other is innocent. This raises the whole question of the consideration of matrimonial offences and the dissolution of marriage. In my view this position is not sound and does not correspond to facts.

I recall sitting in a court waiting for a case in which I was concerned to be tried. I listened to a supreme court judge complete the hearing of ten cases and grant decree nisis in one hour. That is six minutes a case. How is it possible for a judge in five or six minutes to go through the formal proof of the marriage, the formal proof of domicile, the formal proof that there was no condonation and no collusion? How is it possible for a judge, devoting approximately two minutes to each of these points, to say that because of an allegation of adultery which has been proved by evidence of a certain type a dissolution of marriage shall be granted? How can he in six minutes undo 20 years of marriage and conjugal life? I think those of us who have been concerned professionally in the practice of law will agree that the practice to which I have just referred is not sound. I believe this fact is being increasingly recognized in many countries throughout the world.

I have here the Montreal *Star* of Friday, November 24 which contains an article on the proposed new divorce law in the United Kingdom. I notice that the measure has not been introduced by the government, although the government has indicated that it will give tacit approval to the bill which will be introduced by a private member. I shall deal with this matter later. I do not know whether the minister has been able to secure a copy of the bill which has been introduced in that country. All I have in the newspaper article is a condensed report of the major provisions of the bill. England has experimented with its divorce law, as I believe the hon. member for Elgin and the hon. member for Greenwood said, since 1937 as a result of the book "Holy Deadlock", written by Sir Alan Herbert. The government widened the grounds for divorce and has now had 30 years of experience with those wider grounds based upon matrimonial offences. All those who are concerned with this question, sociologists, judges, people in public life, the clergy, all those who direct their attention to this problem, are satisfied beyond any reasonable doubt that the principle of the matrimonial offence must be eliminated. The following is proposed in the new bill introduced in the United Kingdom:

• (12:40 p.m.)

> There will henceforth be only one ground for divorce in Britain—proof that "the marriage has irretrievably broken down". This will be deemed to have happened:
>
> (a) If the parties have ceased to cohabit for two years...
>
> (b) If the couple have ceased to cohabit for five years, even though one does not want divorce...
>
> (c) If there is conduct which a husband or wife cannot be reasonably expected to endure, or adultery which either cannot after reflection forgive.

However, even these provisions do not go as far as I would like them to go. I should like to see the addition of a provision stating "and for such other reasons as may seem adequate to the court". In other words, a catch-all phrase would be inserted which would entitle a court to say that the marriage has irretrievably broken down for other reasons related to but not necessarily the same as those which have already been set down.

I agree with the hon. member for Greenwood that in fact the government is only paying lip service to the marriage breakdown philosophy. I think it is merely attempting to appease a very substantial body of public opinion represented by various church groups and womens organizations as well as other people who have felt that the marriage breakdown philosophy should be adopted in

the new legislation, and that in using the words "marriage breakdown" there may be a hope on the part of the government, if not on the part of the minister, that this will appease and satisfy them. We are still harking back to the virtually mediaeval conditions under which there was trial by ordeal and under which if a man had been injured or killed through accident by an inanimate object the court would try that inanimate object and find it guilty. Sometimes a man accused of a criminal offence would have his arms and legs tied and would be thrown into a pool of water. If he rose to the top he was deemed to be guilty and was immediately taken out and executed, but if he did not rise he was deemed innocent. However, all too often, even when the accused was finally brought up from the bottom he was drowned in any event and it did not matter.

I do not know how carefully the matter of divorce was studied and I do not know to what extent the government seriously considered adopting the marriage breakdown philosophy, but I must say I am bitterly disappointed with what they have done. Let us take a look at the bill and see to what extent it substantiates my view. A draft bill was attached to the report of the joint committee. It provided for certain matrimonial offences and in subsequent sections it went on to provide that certain acts should also be considered as constructively establishing marriage breakdown.

Under the bill before us anyone seeking a divorce will first direct his or her attention to clause 3 which provides four grounds as the basis for dissolution of marriage, namely, adultery, acts of sodomy, bestiality, rape or homosexuality, most of which have already been considered and accepted by the courts as being a basis for the dissolution of marriage. Another ground for divorce is when a person has gone through a form of marriage with another person. This is in fact adultery because anyone going through a form of marriage with a person other than his or her spouse must have the intention of going to bed with that person shortly after the marriage, which is in effect constructive adultery. The final ground for divorce is when a person has treated the petitioner with physical or mental cruelty of such a kind as to render intolerable the continued cohabitation of the spouses.

What will happen is that people seeking a divorce will first turn their attention to the provisions of clause 3 in looking for a quick divorce or a "quickie", as it has been called in some speeches. Under clause 3 there will be an opportunity for an immediate petition to be issued claiming the dissolution of marriage on the ground of either adultery or cruelty. For those who are adverse to committing adultery for the purpose of securing a quick divorce or in cases where cruelty cannot be established, clause 4 will provide an answer. It contains all that can be considered in this bill as coming within the four corners of the marriage breakdown philosophy. It provides an alternative means of securing a divorce when it cannot be secured on the ground of adultery or cruelty, namely, minor or inferior matrimonial offences or constructive marriage breakdown established by certain specific acts.

All the witnesses and organizations which appeared before the joint committee and proposed the adoption of the marriage breakdown philosophy stated quite clearly that in their opinion these two differing philosophies cannot be included together. Let me refer to the evidence of Reverend Hosking, a very distinguished member of the clergy who has also had experience in the family courts. He was a very impressive witness. When asked whether it is possible to have these two opposing principles in one bill he said:

> I am sitting here as a witness, but I would hope to high heaven you would not do that, for this reason. This is something fundamental: You are lifting the struggle from the shoulders of husband and wife and looking at the institution known as marriage in a way that removes from it much of the bitterness and sense of failure and hopeless frustration. For heaven's sake, let us take our courage in our two fists and make this step. For I think it is profoundly sound; and, speaking as a religious person, I believe it is the will of God. I honestly do.

This is the view taken by all those who have considered this new approach. All of them have come to the firm decision that it is not possible to link these two principles or these two means of securing a dissolution of marriage. This is amply established by the fact that in England they have come to the same conclusion, having pioneered much of the new forward looking legislation dealing with the problem of divorce. In their view marriage breakdown is the only basis for a divorce. I should like to refer to the article from which I quoted previously in which Mr. Abse, a member of the British parliament who has been keenly interested in this issue, is reported as arguing that the aim of the bill

is not easier divorce but rational divorce. He said:

> I am for the family, not against it. A divorce is the death certificate of a dead marriage. You can't stop people dying by refusing to issue death certificates.

• (12:50 p.m.)

I think I have made it quite clear where I stand on this issue. I just want to refer to one or two of the objections which have been raised to the marriage breakdown theory. It has been suggested that marriage breakdown is not a triable issue. I think this is nonsense. The minister took it a step further in his speech on second reading and said it would appear too much like an inquisition rather than a trial. The minute the government introduced the conciliation procedure they introduce a peg upon which there will from time to time be hung in process of an inquisition. Trials in all courts involve the process of inquisition. I do not think that is a fair answer at all.

However, the suggestion it is not a triable issue is, I think, one which must be met. I should like to look at some of the problems which courts have met, very much more difficult problems than having to make a declaration that a marriage which has irretrievably broken down, in which there is no hope of reconciliation, is dead and ought to be so legally pronounced. The courts have tackled successfully the defence of insanity, the burden of proof in criminal cases, that is, establishing guilt beyond a reasonable doubt. The courts have had a mandate from parliament to deal with problems under the Restrictive Trade Practices Act and the Combines Investigation Act which involve a difficult assessment of the result of present actions.

I think there is no real problem at all in this regard. When two people find they are unable to live together, that marriage, something which was once alive, is then dead. There are only the ashes left and no fire can be breathed into those ashes. The marriage should be dissolved. There may be difficulty for the courts, but the courts exist to serve the people. The minister might look at it in this way, that specific directions could be given to the courts which would permit them to evolve a jurisprudence over a period of time by which it would be, if not easy, at least possible for the courts to declare there had been a breakdown of the marriage.

As a matter of fact, I think there is some recognition of that principle in the bill. The draft bill proposed by the committee, which appears on page 159 of the report of the committee, provided that two of the grounds which would be established as matrimonial offences were desertion for a period of three years and wilful refusal to consummate the marriage for a period of at least one year. When we come to the constructive grounds which the government has introduced in clause 4 of the bill as being the basis for marriage breakdown, we find they have lifted these two proposals out of the section which provided for the creation of matrimonial offences. The minister has said, we will not accept these as matrimonial offences but we will accept them as constituting a basis upon which a court can deem the marriage has broken down. This is proof of the proposition I have been trying to make that the line between matrimonial offences and marriage breakdown is very tenous and should no longer be continued.

I suggest this quite seriously, Mr. Speaker. I know that at this time the government has all the pride of paternity in this legislation. The minister has indicated, and the Prime Minister (Mr. Pearson) has confirmed, that there will not be a free vote on this issue. There is no doubt that this bill, with some improvements and modifications, is going to pass. I sincerely hope that, after it passes, what has been said in this house and what has been said in all the briefs that have been presented to the committee will be given the most earnest and serious consideration. I hope the government will not be wedded to these proposals in the bill, at least not to the extent that the old marriage and divorce legislation which we have had in this country has been continued in the past. I hope that in the course of his reply the minister will give an indication that the principle of marriage breakdown as the sole cause will not be abandoned. Perhaps in the light of the experience of the courts there will be another look at this matter within two or three years.

The only other point I want to make is to confirm what has been said by the hon. member for Elgin and the hon. member for Greenwood. Why should not county and district courts be given jurisdiction? The minister has said that divorce is a very important and fundamental matter, but so is 20 years in prison. The district and county courts have jurisdiction to impose substantial sentences in criminal cases. As a matter of fact, I think it is about time we took a look at the division of jurisdiction between county and superior

courts. I do not know why we should have on one side of the street 5 and 10 cent store justice merely because the judge receives a lower salary and on the other side of the road have plush department store justice for the carriage trade, and yet this is implicit in what is said. I think it is about time we eliminated all these distinctions.

The courts are going to be engaged in a great many trials of divorce issues which will follow the completion of this bill. Surely the government should be prepared to allow county and district courts to try these issues to ease the load which will have to be carried. I hope before we get into committee the minister will give some indication of his interest in this matter. I hope he is not hidebound and is prepared to consider the proposal made by members of his own party as well as members of this party to invest county and district courts with the power to hear these trials for the dissolution of marriage.

[*Translation*]

Mr. Ovide Laflamme (Quebec-Montmorency): Mr. Speaker, may I call it one o'clock, if you please?

[*English*]

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

[*Translation*]

Mr. Laflamme: Mr. Speaker, I deem it advisable to take part in the debate on this bill because to my mind very serious implications are involved for our society as we have known it up to now. I wanted also to bring to the attention of the Minister of Justice (Mr. Trudeau) some suggestions which, I am sure, must have been considered, just as the other factors that have been brought to his attention, concerning the bill now before us which provides for a reform in depth of our divorce laws.

Mr. Speaker, I have listened with considerable attention to the comments of the preceding speakers, particularly those of the member for Greenwood (Mr. Brewin). However, I must say that even though I sat on the divorce committee, most of my time was taken up by the finance, trade and economic affairs committee sitting concurrently. Nevertheless, this did not prevent me from reading most attentively all the briefs presented.

I should like at this stage to make some observations on the remarks of the hon. member for Greenwood concerning what is commonly called marriage breakdown.

Mr. Speaker, in considering the clauses of the proposed bill, more specifically clauses 3 and 4, we realize that on the whole the government is being blamed for not going far enough with this measure. As I reject marriage breakdown as the essential and only valid ground for divorce, I should like to bring forward an opinion or at least a thought.

I have read with considerable attention the briefs that were presented by some religious authorities on this point. To my mind, what is difficult to reconcile is the permanent marriage breakdown with clause 4 of the bill. In fact, if marriage breakdown were accepted as grounds for divorce, I think we should conclude that this would overly facilitate or at least considerably facilitate in the mind of husband and wife the possibilities of obtaining a divorce.

• (2:40 p.m.)

Even though the briefs submitted to the committee were to the effect that marriage breakdown could not be agreed upon by mutual consent, I fail to see how one could possibly suggest, by the same token, that marriage breakdown does not enable to obtain a divorce by mutual consent, a solution that the bill is trying to prevent.

Mr. Speaker, it is precisely on that particular point that the bill, even though some may feel it does not go far enough, gives rises, both in its spirit and its letter, to the serious thought that a state cannot possibly admit that a married couple can, merely by mutual consent, without giving any reason or justification, obtain a divorce, which would be possible, if the principle of marriage breakdown were accepted as criterion.

But when the champions of that theory tell us that this does not allow divorce by mutual consent, but merely becomes a permanent breakdown in the marriage, I refer them to clause 4 of the bill which, to my mind, gives wise and intelligent support to those who claim that a permanent breakdown of the marriage is sufficient cause for divorce. We see that in particular in clause 4 of the bill and more specifically in paragraphs (b), (c), (d) and (e) where it is stipulated that a spouse may petition for divorce when the respondent has been grossly addicted to alcohol for three years, or has deserted him

for the same period, or after a year where the marriage has not been consummated, and where, in fact, the spouses have lived separately for over three years, or where one has abandoned the other for five years.

What is it, if it is not, really and truly, marriage breakdown? However, there may have been a degree of shock about clause 3; perhaps the legal profession did come to the conclusion that it is generally disagreeable, for the parents as well as the children, to have to publicize the grounds for their separation, or again, before a divorce is granted, to have to commit acts of cruelty or others.

Mr. Speaker, I think the bill as it now stands is based on a sound principle, which is to respect the marriage institution and that the state should try as much as possible to consolidate it. The acceptance of the marriage breakdown concept as the only grounds for divorce is a confirmation by the state that a married couple may, by mutual consent, agree to separate for a period of one, two or three years, and then, without any other factor than such a separation, be able to secure a divorce.

Of course, my hon. friend from Greenwood (Mr. Brewin) will object that this is perhaps not possible in practice, but this makes it too easy to get a divorce. And when the state takes it for granted or wants to maintain the *de facto* responsibility for both husband and wife in important cases, the crown will be forcing the spouses or those about to be married to understand that it is a contract or a compromise and that, in such a case, there must be tolerance, forbearance and sound understanding, above all because it gives crucial importance to the sad and deplorable results for society and unfortunately a cause for divorce occurs, especially if there are children from such marriages that are terminated by decree.

I do not wish to repeat, Mr. Speaker, everything that has been said about the bill. It is, of course, a great step forward compared to what has been done in the past, but I think it should be said that if, generally speaking, legislators did not dare to deal with that matter, it was because of religious convictions and perhaps also of a certain weakness on the part of our politicians who were afraid to tackle this important social problem, precisely because of the fear of setting certain religious authorities against them, which might have had a considerable impact on future elections.

That is so true that this legislation has not been dealt with for 97 years so that, for instances, so far as the province of Quebec especially is concerned, our civil code which is now in force and exists, as the minister said—and as it is well known—since 1866, a few days before the adoption of the Canadian constitution, stipulated that marriage was indissoluble.

The Canadian constitution of 1867 states that marriage and divorce are matters of federal jurisdiction, thus applying the provisions of section 129 of that same constitution which states more explicitly that, in each province, the laws existing on the day when the constitution came into force will continue to apply in the respective jurisdictions of the federal or provincial authorities.

Under the circumstances, the application of the constitution prevented, on the one hand, the Quebec legislature from amending its constitution, and in the absence of legislation by the federal government, there was not any way of remedying that situation or of amending the Civil Code of our province.

Of course, we see how slowly we proceeded. In fact, as reported in the proceedings of the committee, No. 2, Mr. Maurice Ollivier, legal adviser to the House of Commons, said that section 188 of the Civil Code of the province of Quebec, which existed until 1954, stated, and I quote:

> A wife may demand the separation on the ground of her husband's adultery when he keeps his mistress in their own home.

Naturally, this disappeared and from that time until a few years ago, as has been pointed out, private bills were introduced in the Senate. Those who, on account of religious scruples, objected not so much to the principle of these bills but rather to their form, professed to be shocked and would not vote, so that the Canadian parliament passed one private bill after another without any deep understanding of the motives.

Mr. Speaker, I wish to put on the record what constitutes to my mind real progress, the very wise statements made by the Canadian Catholic bishops in the brief they submitted. I will quote these statements verbatim, because I think they show why no one can take offence at the decision of the government to take the initiative in presenting this bill and not to allow a free vote for, in my opinion, there is not lack of respect shown to individual conscience.

It is said, in this brief of the Canadian bishops, and I quote:

> Canada is a country of many denominations and it is possible that other citizens, equally anxious to promote the common good, feel that under certain circumstances, it is less detrimental to the individual and to the whole society to permit divorce. As far as we are concerned, we are not opposed to changes in the present divorce laws, really intended for the common good of the lay society.

I think that it is a text clearly conceived, freely expressed and which obviously makes it possible for all legislators, whatever their religious convictions, to make their views known clearly and freely without being accused by the religious authorities of endangering their faith or their religious principles.

When we consider this whole problem, we are obliged, I think, to admit that it prevails in our society, as other actual situations.

• (2:50 p.m.)

And when a member of parliament speaks in support of divorce legislation that does not mean that he favours divorce in itself. In the same way, when he votes in favour of a law amending the Criminal Code, concerning theft or any other crimes, it does not mean that he is in favour of theft or crime, but those are facts that entail important civil consequences. I suggest the government and specially the present Minister of Justice deserve to be commended for the generous thoughts, they have expressed in introducing this bill before the house.

I have dealt with the important effects of the legislative amendments since the constitution was adopted, by referring to section 129 of the Canadian constitution. But nevertheless, this will result legally in keeping the citizens of the province of Quebec at a disadvantage, compared to the citizens of other provinces, to such an extent that mixed or parallel procedures will be necessary.

We know, for instance, that the French civil code provides for parallel jurisdictions, which provide, on the one hand, for separation from bed and board, in itself a divorce without the right to remarry and, on the other hand, the granting of divorce, when the party involved is convinced, in all good faith, that he retains the right to remarry, if he so wishes. I really do not think we should attach too much importance to this point, because those who are granted a divorce are not obliged to remarry. The law merely tells them that they may do so in the future, if they so desire. This, then, does not affect their conscience. I am no expert in this field but I cannot see why much importance should be attached to this point.

In Quebec, a legal separation is granted in those cases. This separation is, as I have just said, a divorce without legal right to remarry, since the Civil Code has not been amended and precisely because of the inertia of the central government, the provincial authorities, I say that incidentally, did not show any desire to deal with it and they have never amended the Civil Code to remove the section that stipulates as follows: Marriage is indissoluble and cannot be dissolved by preventing the legislature from enacting divorce laws.

We may, as I have said, obtain a judicial separation which implies to a certain extent separation from bed and board. The Supreme Court of Canada has already ruled that a divorce decree also provides automatically for division and total separation of community property. But, Mr. Speaker, the consequences—and I want to bring the attention of the Minister of Justice to this—for Quebec citizens pending acceptance by the legislature of the offer under clause 22 of the Act to set up its own courts as in the other Canadian provinces are such that any petitioner wishing to obtain a divorce under the new legislation shall petition the exchequer court and at the same time, in order to protect or prevent squandering of property by the respondent or to protect possible claims on community goods, such petitioner is required to initiate procedures for a separation as to bed and board before the superior court of the province of Quebec which will allow through protective seizure the withholding and custody of property until such time as a divorce decree is issued.

This, of course, necessitates two actions. It has been said in society, in public, that divorce was previously possible only for rich people because it cost a lot of money. The simplification of the present jurisdiction will permit married couples, whatever their social rank or position, to come before the courts and be equal to all other citizens, whenever they unfortunately find themselves in similar circumstances. On the other hand, the result of this joint jurisdiction, this parallel jurisdiction, will be that the citizens in the province of Quebec will assume before the courts double charges and a double burden. Here, Mr. Speaker, as a federal representative of the province of Quebec, I should simply like to appeal to the legislative authorities in my province and ask them to take advantage of section 22 of the act so as to accept, once and for all, in a clear and objective way—even

though it may not be something pleasant, something fortunate, even though it may not be something essentially flamboyant, in a multiconfessional society—the responsibility of putting their own citizens on an equal footing with the other citizens of this country and of allowing the superior court of Quebec to be empowered to hear divorce cases.

We have heard this morning about ancillary powers, or the theory that when the federal authorities have the constitutional right to decide on divorce cases, they have at the same time the power to decide on the consequences, be it alimony, care of children or domicile which is, of course, established and is rather a factual matter.

I want to call the attention of the minister to this point and ask him to enlighten the house. When a decree nisi is granted by the court for example, what happens when the constitution stipulates that the civil rights of ownership are under provincial jurisdiction, when it becomes necessary to apportion the property?

I appreciate that if the federal law does not deal with that, property separation will be carried out according to existing provisions—in Quebec, for instance, by division and licitation—because, of course, the Supreme Court has found that divorce breaks the community property.

There is one point I regard as particularly important and I will come back to it briefly. Until the province of Quebec decides whether it would be advisable to entrust the superior court with the hearing of divorce cases, would it not be possible to conciliate the field covered by the Civil Code and the ambit of this legislation? What could happen or what amendment could be presented to prevent duplication of procedure by one of the spouses when it is a question of protecting the property during the proceedings?

That could have extremely important consequences, because one can readily understand, for instance, that if it is necessary to wait a year or two to get a divorce ruling and if, at the same time, a conservatory garnishment procedure is necessary to ensure the conservation of the property during the hearing, failing an agreement between the spouses, the garnishment or conservation, will be extremely detrimental and costly for the petitioner or for both parties.

• (3:00 p.m.)

Mr. Speaker, personally, I can but do otherwise than support this bill. I know that the bar as a whole, at least in Quebec, and throughout the province, I am sure, supports it in principle. They are quite happy that legislation finally is forthcoming on this matter. There will be no concern in the province, because the Quebec bar itself, about a year ago, submitted a brief in which the provincial authorities were requested to establish juvenile and family courts for the express purpose of effecting attempts at reconciliation.

On the basis of my own experience as a lawyer, I must admit that we are extremely poor, not only in Quebec, but throughout Canada, in respect of agencies that might work to reconcile unfruitful or unhappy marriages.

We have practically never gone to the root of the problem. However, and this speaks well for all Canadian lawyers who practice their profession, I think they are the only ones who have understood that point and who, generally speaking, have tried to effect reconciliations; they have often failed, but at least they tried.

I myself have seen couples who wanted to obtain legal separation simply give up because they decided that it was better to endure the other's faults and to make other sacrifices than to make a public show of their sufferings and to face all the attendant, disastrous consequences on the economic and social levels as well as with regard to their children. Those people simply changed their minds and decided that it was wiser after all for them to accept their partner's faults and to live a life of compromise in the hope that their spouse would change for the better.

Another point, Mr. Speaker, on which I wanted to draw the attention of the minister, is section 2 of the bill which defines a "child" as being any person under the age of sixteen years. That may give the impression that in the case of people over 16, the bill does not apply. I would like the minister to tell us what jurisdiction will be involved. Will it be clearly the provincial jurisdiction? In the case of a child 17 or 18 years old who attends school or university and who wants to get money from his father, even if he is divorced, what power will he be able to exercise to get the necessary money? Would the decree of divorce, which would thus be established and which would define the financial responsibilities of either one of the spouses, prevent a child of more than 16 to go to court and claim from his father, even divorced, or his mother, if she had financial means, to accept alimony. I feel that that is extremely important.

On the other hand, I can hardly see how anyone could get a divorce and thus evade his judicial responsibilities towards his dependents, even if he does not have to support his wife, for instance, in short how he could be not responsible for looking after his children, until they are 21, and seeing to their education in particular, because one knows that during such periods the children especially need to be looked after and to pursue their education as far as possible.

Mr. Speaker, those are the main points I wished to draw to the minister's attention. I am, I repeat, in favour of this legislation and before concluding, I hope that the Quebec legislative authorities will take advantage of clause 22 which makes it possible for them to give the superior court jurisdiction over divorce cases. That may represent a certain revolution in the minds of some people but, fortunately, we have seen many newspaper editorials which said that the legislation is reasonable and sound and that it was up to Quebec to deal with it as the other provinces. That will spare considerable trouble to all those who will benefit from it, and I think Quebec will understand that there is obviously no question of giving it responsibilities that belong to the federal authority since in all other areas, the organization of the courts, briefly, the administration of justice comes under the provinces. Why would it not be the same for the implementation of this legislation on divorce to avoid heavy additional expenses and parallel jurisdictions to protect the interest of either spouse?

In closing my remarks, Mr. Speaker, I may say that, to my mind, this is good legislation. It is not only good, but it is sound for our society as it is organized at the present time and I am in favour of implementing it. I think that I am expressing in this not only the views of the majority of the members of the Quebec bar but also those of society as a whole, because this legislation is in the interest of all citizens unfortunately placed in this deplorable situation.

Mr. J.-A. Mongrain (Trois-Rivières): Mr. Speaker, I have listened to most speeches delivered on divorce. I should like to point out three that I found particularly interesting, that of the hon. member for Greenwood (Mr. Brewin), of the hon. member for Peace River (Mr. Baldwin), and the one of hon. member for Quebec-Montmorency (Mr. Laflamme).

From another point of view I find the presentation of this bill rather amusing. I wish to point out that it took a Minister of Justice who is a confirmed bachelor to present a bill so up to date on the question of marriage. I hope this will not convince the Minister of Justice (Mr. Trudeau) to remain unmarried until the end of his days, because, after all, the country should not be deprived of such brilliant offsprings, since the potential father is so much so. I would not want him either to be discouraged from taking a wife, because of all the disquieting things he has been hearing in this house.

Mr. Speaker, all this to say in a rather light vein, that it was high time for the divorce legislation to be improved.

I shall not discuss it from a legal point of view, because I am not qualified to do so, nor from a moral point of view, because it seems to me that is not our concern. I think we all agree, here in the house, that divorce in itself is an evil. As far as I am concerned, my religion tells me it is inadmissible. The fact remains, however, that we also believe, and more strongly than ever since the last council held by the authorities of my Church, where oecumenism and similar topics were discussed, that it is not admissible either that we, legislators, Catholics or others, should impose our convictions on those Canadians who do not share our convictions.

Mr. Speaker, like most hon. members in this house, I believe, for instance, that human life is sacred. However, I recognize that, under certain circumstances, such as war, self-defence and, as I persist in believing, retribution, the state has the right to take human lives, to put people to death.

Personally, I feel that the physical integrity of a human being, man or woman, is also sacred, but, in some cases, to prevent a greater evil, an arm or a leg may be amputated, an organ may be removed.

So, I think we should consider the matter of divorce somewhat in the same light. In itself, it is wrong; morally speaking, my conscience tells me it should not be allowed; still, there may be borderline cases, people who hold divergent views, and we have no right to impose upon them such conditions as would lead them to live immoral or hypocritical lives.

• (3:10 p.m.)

That is why I find it comforting that the Canadian spokesmen for religious groups of every hue should have told us that it was high time to amend the divorce legislation, even to modernize it, and put an end to the

hypocrisy which leads to perjury and false representations. There is no need to dwell on the subject for it was taken up brilliantly in this house, and I am quite convinced that all the members of this house even if the bill is not perfect, must approve of it in principle. We shall never have a perfect bill in this house, although we may have bills that are less imperfect. The fact remains that this bill certainly has its good points, that it improves the situation even if every member can still suggest amendments.

Still Mr. Speaker, some figures are shocking and we simply cannot refuse to take notice. For instance, there were in Canada, at the close of 1966, about 400,000 people—this figure comes from authoritative social agencies—living in common law marriage. So, we may reasonably assume that many of these people, if more reasonable divorce legislation had been available, would not live that way and would probably be living in more normal conditions.

At the end of 1961, there were in Canada 81,000 separated women living alone, in many cases in conditions of hardship, and of this number 15,600 were divorced. I am speaking only about women, but we can assume that the same figures probably apply to men.

In the United States, in 1965, there were 1,780,000 marriages, and of these 481,000 broke up within one year or since and most recent statistics show that there are 6 million divorced people in the United States.

Naturally, this is not a situation of which most of my colleagues and I can approve in conscience, but it is a definite situation which must be faced and which we cannot refuse to examine in order to see whether it could not be helped in some way.

I wonder, therefore, whether we might not look at this divorce law in a broader context, and whether we should not add to it a preventive measure against divorce, so as to create a certain cohesion between all the social welfare agencies and family services in the country. In doing this, we could first reduce the causes of divorce and then try to act as mediators, negotiators or advisers, when trouble starts in a marriage, to prevent that final rupture between two people called divorce, which is always regrettable.

Aside from the religious considerations of which I spoke earlier, there are natural considerations which make divorce normally unacceptable. One of the best studies of this problem, or at least that which seems to me to be the best, was written by representatives of various religious denominations and submitted to parliament by the Canadian Anglican Church, through its Christian Social Service. I am translating as best I can, for I only have the English text.

[*English*]

Anglican Church of Canada, Christian social service; Canadian Catholic Conference, family life bureau; Lutheran Council in Canada, division of social service; Mennonite Central Committee, Canada, peace and service office; Presbyterian Church in Canada, board of evangelism and social action; United Church of Canada, marriage guidance council.

[*Translation*]

In my opinion, this study—and we have received a great deal of documentation—is excellent.

Mr. Speaker, I wonder if I may quote some passages from it at this stage of our consideration of the divorce bill, because I think it expresses my opinion better than I could express it myself.

This brief says, and I quote:

> In this collective brief, however, we feel that there is presently in Canada a common agreement on the need for reform of our legislation in order to facilitate the setting up of more adequate social welfare facilities to settle marital troubles.

And this should be emphasized, Mr. Speaker, that as legislators we would fail in our responsibilities if we merely make divorce easier in the case of marriage breakdown. I think we should add, parallel to this legislation, some provision making it possible to prevent marital trouble and cure it when it has become too serious.

And the brief goes on to say:

> Canadians are agreed on the following points: (1) The need for a reform of present divorce laws and legal procedures.

Now, I should like to refer to a point raised a moment ago by the hon. member for Quebec-Montmorency, to the effect that, with this legislation, divorce proceedings costs would be brought down to reasonable proportions. I do not feel it is enough, as there are a large number of very poor families who, in some cases, would like to secure a legal separation, if not a divorce, but who do not have the means to do so.

I will quote a few cases which have come to my knowledge since the last few weeks. I have in mind, for instance, a particularly sad case where, for 7 or 8 years, every effort was

made, with the help of matrimonial agencies, to make the marriage successful, but, as things now stand, there is no solution possible, other than a legal separation. This, not a divorce, has been requested.

The poor wife who must ask for a judicial separation is told by her lawyer: you have to deposit $300. She does not have it, Mr. Speaker. In that case, will she have to bear her lot till the end of her days? Would not legal aid have a formula or could not the state provide that inherent expenses be reduced in keeping with the means of those who may require divorce or judicial separation? Otherwise, people will continue to say that there is a double standard of justice in our country: one for the poor and another for the rich. I think a situation where such things can still be said is unwholesome.

I continue reading the brief:

(2) Divorce proceedings are taken as a last resort in the case of a marriage which, obviously, seems to have broken down. The ideal is to ensure a lasting marriage—

—in that respect, everyone agrees—

—and that ideal will be achieved only if the preparation starts at home and continues through educational programs sponsored by schools or other organizations. Those organizations should receive public funds as a help and as an encouragement to private enterprise.

There, of course, I see the need for a conference in the future between the provinces and the federal government to discuss legislation, to reconcile the laws which might be urgent, for instance, in the case of Quebec and Canada, to undertake that educational program, to prevent marriage from floundering on the shoals of misunderstanding or other reasons.

Here is another extract of the report:

(3) Sometimes, even the best of marriages may be in need of counselling at a given moment. All Canadians should be able to have access to such services. And in order for these services to be effective, it is necessary for the state to have an interest in them and to help them financially.

Some already exist. Perhaps there is a lack of co-ordination throughout the country. Perhaps they lack the means of improving techniques by themselves or the qualified personnel they would need in order to analyse each case, because there probably are no two identical cases, and this is where the help of the state is needed; I suppose this would be a joint effort by the provinces and the federal government.

Here is the fourth recommendation of this report, and I quote:

Reconciliation procedures are often of great help in restoring marriages that are far from being examples of harmony and stability. Attempts to reconcile the parties should be made part of any legal procedure that deals with marriages that have broken down or are on the verge of a breakdown.

As a layman, Mr. Speaker, I feel that we should have courts specialized in family or marriage matters.

There are family courts in Quebec, but I would rather call them embryos of family courts which are not always headed by competent people, who themselves do not always have counsellors conversant with social, psychological or pedagogical matters. There would be room for much improvement.

But I feel that if the conservation of our natural resources and research in the physical and scientific fields are taken care of, we should first of all, under a priority which, in my opinion, is obvious, invest the amounts needed so that research and organization are made to meet the needs of our human capital.

Married life, family life, marriage are certainly the basis of social life in our country.

I quote again from the same report:

(5) Even if we are not all in complete agreement, it should be noted that, in divorce proceedings, the "matrimonial offences" concept should be replaced by the "breakdown of marriage" concept. This last concept, as explained to the joint committee, answers more adequately the needs of the programs and services which are concerned with the consolidation or rehabilitation of marriages.

Further on, mention is made of federal-provincial co-operation, of which I spoke earlier. This is the conclusion arrived at:

1. Federal divorce legislation should not play a purely negative role, in the sense that it would merely facilitate the dissolution of already broken marriages.

I spoke about this a little earlier.

2. The federal government, and all the members of parliament, should be dynamic leaders in promoting and helping the provincial and municipal authorities, as well as the private organizations to have their own legislation, special educational and welfare programs which would supplement the federal policy in order to insure the success of marriages.

It will not be enough, as law-makers, to wash our hands once the divorce legislation is improved. To make it easier in the valid cases, our responsibility must go further than that, that is we must try to prevent the ailment before it becomes acute.

A third recommendation reads as follows:

3. If Canada wants adequate marriage programs, its legislation and bills should be submitted to constant inquiries, review and scientific assessment.

At least as much as in material fields.

And I say in closing:

It is the duty of the state to strenghthen marriage and family life.

Mr. Speaker, when considering that bill, certain things strike me. I told you that quite frankly when I admitted that I do not have the legal qualifications of many of my colleagues.

• (3:20 p.m.)

For instance, under the heading "Grounds", clause 3, page 3 of the bill, it says:

3. Subject to section 5, a petition for divorce may be presented to a court by a husband or wife, on the ground that the respondent, since the celebration of the marriage, (a) has committed adultery;

I find it a little hard to understand that because the husband or wife commits adultery once, the spouse would be justified to ask for an annulment or a divorce. That is beyond me. I am under the impression that if Christ came back on earth, he would show the same generosity he had for the adulteress; he would probably forgive a third and a fourth time and would not be pleased to see a marriage dissolved when there are innocent children, unless the judge should decide, of course, that the situation is becoming extremely serious, which is not the case as a rule, except if the spouse who feels badly treated listens to his or her pride or hurt feelings. I wonder whether we are not opening the door a little too wide. In the past, we complained because adultery could be the only reason for divorce, and we noticed that in a great many cases, the adultery was forged, brought up under false representations. That case still remains.

I find it a little hard to accept that clause, Mr. Speaker. The second paragraph in the same clause states that:

If the respondent has been guilty of sodomy, bestiality or rape, or has engaged in an homosexual act;

Rape, bestiality, sodomy—I have no objection to that because it is against nature. But if we are now prepared to legislate in order to make homosexuality legal, unless it is habitual homosexuality, which has lasted for years and which prevented one of the spouses from fulfilling his or her matrimonial duties, I still think that a distinction should be made. I imagine, I suppose and I assume that the judge dealing with that case will have enough leeway to say: It has happened once, therefore, it is not grounds for divorce. I do not have the legal competence to pass a final judgment on that but I still submit that it is a matter which impresses me.

There are other grounds a little further, such as for example:

(a) the respondent

(i) has been imprisoned, pursuant to his conviction for one or more offences, for a period or an aggregate period of not less than three years during the five year period immediately preceding the presentation of the petition—

Here again, I suppose that judges would have some discretion, because I could mention cases where a fellow was sentenced to three or four years in prison, but he was not necessarily a bad husband, for all that. But if during that period, the wife gets bored, acquires bad habits which are not in accordance with the requirements of marriage, and if she decides that it would be absolutely necessary to ask for a divorce or a separation, well that would raise problems for the children.

I hope that the judges called upon to settle those cases will not feel bound by the wording of the act which provides three years of imprisonment for adultery and homosexual offences. It is automatic, absolutely cut and dried. They should have enough discretion to say: Since your particular case is not as serious as some others, I shall not allow divorce.

Mr. Speaker, I shall support this bill even though it may be amended, as many of my colleagues have suggested. I suppose that in future years, other amendments will be made to improve it still more, since, for once, this is legislation dealing with such important human problems that year round research and studies should be made in that field and consultation should take place between all competent social and religious organizations, in an attempt to find new formulas.

I repeat it again—it must be repeated, and I am pleased that my colleagues stated it—what has been said in this house in favour of this divorce bill must not be interpreted in the misinformed areas of our country, and that is why it is well that we should say it often, as an approval of divorce as such.

I believe most members, if not all, in this house consider divorce, first for natural reasons, and second, for religious reasons, as inadmissible in principle.

In principle, it is evil but we must make allowance for human weakness and consider the fact that we have no right to impose our religious beliefs on those who do not share them. We must also do our utmost to put an end to the old system which fostered hypocrisy, false representations, perjury and a whole lot of things which were denounced in this house.

And we are in good company, since we find that we have the support of religious authorities of almost all religious denominations in Canada. There might be differences of opinion on some details, on such or such a word or condition, but I believe that, on the whole, we have the support of all responsible people who are concerned with the vital cell of society, the family, which will enable the state to survive and to thrive.

It is in this spirit, Mr. Speaker, that I intend to vote in favour of the bill.

[*English*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I am in complete agreement with the purpose of the bill before us, namely, to improve the divorce law of Canada. However, reaction to a number of the provisions of the bill is not good. I believe that the government has in several areas missed an excellent opportunity to make the new divorce law more acceptable to Canadians generally. I believe there was an opportunity to legislate a better definition of the marriage breakdown principle, a better arrangement to bring about reconciliation, and with regard to several other matters with which I shall deal in the course of my remarks.

I say that the government has missed an opportunity because for the first time in many years, following the hearings of the special joint committee which ran over a period of a year, public opinion at this moment is favourable to extending the grounds of divorce to a much greater degree than is the case now. At the same time, the major religious groups in Canada are ready for this type of legislation. Many members of the house who have had reservations in the past are now ready to consider some really profound changes in the divorce law of Canada. Here was an opportunity for the government not only to follow public opinion but perhaps to lead it. I say that in several fields they have missed this opportunity.

• (3:30 p.m.)

Before the bill is passed this situation might be remedied by amending the bill in the committee stage at which time the house and the minister will have the opportunity to consider some of the amendments which I believe will be necessary anyway in the next few years and might better be brought in now so that the total jurisprudence on new divorce legislation may be developed at the same time. However, be that as it may, I would say there are several grounds on which the government has completely missed its opportunity.

The first one is on the principle of marriage breakdown. The bill goes so far in accepting marriage breakdown that the government could really leave out matrimonial offences as a ground and extend the definition of marriage breakdown, thus making a uniform divorce law in Canada. Instead, one part of the bill is based on matrimonial offences in which the cause does matter and another part of the bill is based on marriage breakdown in which the cause does not matter. How these two absolutely opposite principles can be blended and a reasonable jurisprudence developed so that the intent of the bill is made clear to the courts and to the people is beyond me. This is why I feel that the opportunity of taking one more step has been missed.

I will not spend much time on the marriage breakdown theory because others have gone into it fairly completely. But I would like to say one word in reply to the remarks of the hon. member for Quebec-Montmorency who spoke a few minutes ago. He said it was his fear that the adoption of marriage breakdown as the sole ground for divorce would make divorce easier. This is a misconception which it took the committee almost a year to clear up, because in many cases divorce would be more difficult to prove in courts.

The fact is that under a satisfactory marriage breakdown system, as recommended by the special joint committee in its draft bill, several safeguards would have to be included. The first one is that reconciliation efforts have been made and can be proven in court in every case. This is not the case under the proposed law and, as I will show later, a simple question put to the applicant in court will settle all the efforts at reconciliation. What we really want is proof that there is no hope of reconciliation and that it has been tried. This is not found in the bill before us.

The second proof is that the marriage is at an end because of the separation of the spouses. This also is not in the bill before us. Under this bill, if a divorce is sought on

grounds of adultery it can be obtained on the proof of a single act of adultery. A divorce which is obtained on only one ground, namely, a matrimonial offence, is what we now call an easy divorce. But it will not be so easy if, in addition to adultery, you have to prove that efforts have been made at reconciliation and that the marriage is at an end and is not likely ever to recover. Finally, in a marriage breakdown bill you would have to provide for care of the children and other ancillary matters to make sure that no one suffers as a result of the divorce.

So I say that marriage breakdown as a ground for divorce would not make divorce easier in a good many cases but would make it more difficult. It would establish to the satisfaction of those interested in the good of society that there is no hope of reconciliation, that all possible efforts have been made, that the marriage is at an end, that the children are provided for, and that the parties are actually and have been living separately for a number of years. In such a case it could never be said that marriage breakdown would make divorce easier. I merely raised that point because it is a misconception which has existed and which was repeated today.

First, I should like to comment on reconciliation procedures. We have heard from the minister and from other members that this bill will provide for procedures for reconciliation of the parties, if there is any hope of this. I say that the bill lacks anything along these lines, and I wish to refer particularly to clause 8. I know that normally we do not refer to specific clauses at this stage of the debate but I wish to quote the wording of the clause because it is important. Clause 8 reads in part as follows:

> On a petition for divorce it shall be the duty of the court, before proceeding to the hearing of the evidence, to direct such inquiries to the petitioner and, where the respondent is present, to the respondent as the court deems necessary in order to ascertain whether a possibility exists of their reconciliation—

It goes on to say that if the court believes there is some hope of reconciliation, many possibilities are open for action. The court can adjourn the proceedings, nominate a person to engage in marriage counselling or guidance, and so forth. However, that is only done when the judge feels on examining the parties that there is some hope of reconciliation. Under this bill—and I am sure this will be the case—all that the judge will have to do is to ask the petitioner whether there is any hope of a reconciliation with the spouse and the only answer necessary in that case will be "no". If such is the answer the judge will have satisfied the statute, and that is all there is to it; all effort will have gone out the window.

Under our present divorce proceedings a number of questions are asked. For example, on condonation the question is asked: Have you forgiven your husband or wife? The petitioner is always warned by counsel of the meaning of this question because a good Christian might think the best answer would be to say that he had forgiven his spouse; she might have erred but he has forgiven her. We know that there will be no divorce if adultery has been condoned. So I am sure that most petitioners seek divorce in the courts with the complete knowledge that they must answer this question correctly. It is a simple question and you can be sure of the answer. When the judge asks you if there is any hope of reconciliation you have to say no. If you say anything else your divorce is delayed or is gone altogether. You must make sure there is no mistake about this.

• (3:40 p.m.)

Clause 7 of the bill provides that counsel must certify he has advised his clients fully upon the opportunities for reconciliation. Counsel cannot even pass by this provision. He cannot even say, I will let this client satisfy the judge on whether or not reconciliation is possible. He will have to advise his client not to say that there is a possibility of reconciliation because the client will not get the divorce. If the client says there is no possibility, the divorce will be granted. I do not believe either the petitioner or counsel will go ahead with a case with the firm intention of having that case thrown out. I cannot see it. If you are going to have any real hope from reconciliation procedures you have to have more than is provided in this bill. There will need to be some other provision than just the necessity for the judge to ask the question, which is all that has to be done at this moment.

This brings me to the next point I want to discuss and it is closely tied to this question of reconciliation. Under these circumstances, we are going to try divorce actions in the high court. They are still going to be on the list for trial at the assizes and there will be half a dozen other cases, civil or criminal. If every trial court does the same thing as is done in Ontario, it will mean the court will try to find half an hour when nothing else is

taking place to slip in these divorce actions. Sometimes this occurs when the jury is out considering a criminal case. Sometimes this will occur when there is an adjournment to allow counsel to attempt an agreement in a case. Since there is just a limited amount of time, many of us feel that these cases will be hastened.

We feel, therefore, that county and district courts should be permitted to handle divorces. County and district court judges, except in the larger centres, are always available. They will be there today, tomorrow and next week and so will have some time to give thought to the question of reconciliation. They will not just pass off the question of reconciliation with a simple question as the high court judges are going to do. I know, just as sure as I am standing here, this is what the high court judges will do. They will put the simple question: Is there any hope of reconciliation? The answer will be no. If the judge has nothing else to do he may take some time to probe, but in the normal case the judge will just ask the question. The high court judge will be anxious to get these cases off his list. If he receives the right answer to that simple question the case will be disposed of. The high court judge will not want to be tied up with the question of reconciliation because he will move to another assize next week and may not be back to that centre for two years. Counsel would have to chase him around to another centre or try to find another judge, and in some cases may have to wait until the next time the judge is in that place.

Under those circumstances what hope is there for reconciliation? I believe for all these reasons that this bill is absolutely useless, especially in so far as the reconciliation procedure is concerned. The fact that county courts are not being given jurisdiction in these cases means there is no hope of people pursuing the possibility of reconciliation if that would be helpful. I say, therefore, that the bill falls short of what many of us thought it would do.

I should like to follow up the other question about county courts because their use is not related just to the reconciliation procedures. The special joint committee gave this matter a lot of thought. We heard a lot of witnesses. When the minister made his introductory remarks I asked him why the county and district courts had not been given jurisdiction under this bill. He gave two answers. He said, first, that we were dealing with the fundamental rights of people which should be settled in the high court and, second, that jurisprudence would be built up over the years and this should be done in a high court. I should like to deal with these two matters.

In the first place, I have already mentioned the question of reconciliation and of marriage breakdown. There is in addition the question of cost, and this is an even greater reason for putting these divorces into county courts. Under this bill we are trying to make divorces available to those whose marriages have broken down and for whom there is no hope of reconciliation. Many of these people cannot now obtain a divorce and in some cases they cannot afford it. If we could put these divorce actions into county and district courts, the tariffs and fees in those courts are half of what they are in the supreme court. While we are trying to make divorces more available to Canadians under this bill, regardless of their ability to pay, at the same time we are keeping divorce actions in the superior courts to which these people cannot afford to go. It has been pointed out on several occasions that if there is any possibility of reconciliation the procedures established under this bill that counsel will have to undertake will be monumental. These procedures are going to shove up the cost. The procedures are not those that can be undertaken by social workers or by other people engaged in this type of activity at public expense. These procedures, in a large measure, are going to have to be carried out by a lawyer. When a lawyer starts a case, therefore, he will start it with the possibility of reconciliation procedures in mind.

This same situation exists now in the province of Ontario with regard to children. If there are children involved in divorce proceedings you have to go through an ancillary procedure under which you need a report from the official guardian with regard to the maintenance of the children. We know, therefore, that a divorce involving children is going to take more time and is therefore going to be more expensive.

• (3:50 p.m.)

Under the new bill there are three possibilities. First, there is the possibility that during the trial or before judgment absolute the court will find that reconciliation procedures would be helpful. In that case, Mr. Speaker, the judge would order a review of the whole case and the court would have to be satisfied that there was no possibility of reconciliation.

So, Mr. Speaker, bearing in mind that not only is there the question of divorce but also the welfare of the children and reconciliation possibilities to be considered, the cost of a divorce action would be difficult to determine because there could be an extended hearing which might last months or even years. This is particularly so should the action reach the supreme court where higher fees are quoted. In this connection some assistance has been given in Ontario through the introduction of legal aid; however, legal aid is not universal throughout the country.

Therefore, Mr. Speaker, for these reasons I think the bill has not met the objective parliament hoped to achieve. It has not followed in its terms the major recommendation made by the committee in cases where there is a possibility of the marriage being revived.

In conclusion, Mr. Speaker, I should like to comment on the two answers given by the minister regarding county court jurisdiction. This goes beyond the question of cost and reconciliation proceedings, but the minister did deal with the two other fundamental points. First of all he said that in divorce cases the courts would be dealing with the fundamental rights of individuals and therefore felt that this was a matter for the superior courts.

Judges of the county and district courts are drawn from the legal profession of the provinces. County and district courts deal at times with very substantial matters. They settle very real legal questions and, with one or two exceptions, actually have concurrent jurisdiction with the high court. Nevertheless I have never heard it said that the county and district courts did not deal with fundamental rights. Certainly they hear jury cases, and the judges try criminal offences either with or without a jury. So surely fundamental rights are involved in the county and district courts, the judges of which can deal with almost any crime except murder, and some other serious offences. Therefore I do not think the minister has put forward a valid reason for not trying divorce cases in these courts.

The second reason offered by the minister was that jurisprudence should be settled in the high courts. Although I would agree with this statement, I think it is well known that jurisprudence is mostly settled in the appellate courts, not in the trial division. In cases involving interpretation of statutes it is almost certain that one of the parties will appeal the decision, and it is the appeal court that settles the question.

I therefore see no difference between an appellate court hearing an appeal from a county court and hearing an appeal from a high court. As you know, Mr. Speaker, the appeal procedure in county court cases is almost identical to that in high court cases. While I think a case may be made for saying that jurisprudence is settled in the higher courts, I do not see this as a valid objection in this instance. Against that there are the other disadvantages of the county court system to which I have already referred.

One final word about county courts, Mr. Speaker. They are in most cases much more closely in contact with the social agencies in the area. If the court decides that in a given case reconciliation procedures will be of assistance, while the county or district judge would know the appropriate agency to which to refer the parties, I am sure a high court judge on circuit would not have the same information. He would therefore have to turn to someone, perhaps the sheriff of the county or to counsel themselves, and would have to decide which was the most suitable body in the area to deal with the case. For example, in one district or county it might be the Children's Aid Society. In another area it might be a welfare agency. In yet another it might be a clergyman or some other person who has had reasonable success with rehabilitation and reconciliation procedures. Therefore, I contend that the county or district courts are better equipped than the supreme court in this particular exercise.

I think I should give the minister warning now—though he probably has received it—that we intend to move some amendments after the bill has been given second reading. Certainly I hope he will give serious thought to the question I have raised, otherwise the value of the bill will not only be diminished but divorce will be made more expensive, thus detracting from the very purpose of the bill in the modern context of today, which is to make divorce more accessible to those in dire need.

Mr. John Gilbert (Broadview): Mr. Speaker, I should like to make a few remarks on Bill C-187. It has been said that this bill is the best centennial and Christmas gift to the 500,000 Canadians who are living under common law marriages that the government has produced this year. The introduction of this legislation has also produced the feeling among Canadians that the government is

determined to restore the institution of marriage and to give it its necessary moral, physical and spiritual well-being.

It would be very easy for me to give the full credit and glory to the Minister of Justice (Mr. Trudeau) for bringing forth this measure at this time, but I think we would be doing an injustice if we did not recall the efforts of previous pioneers in the matter of divorce reform. When one thinks of the active work undertaken by the hon. member for Timiskaming (Mr. Peters) and the hon. member for Skeena (Mr. Howard) in forcing the government to stop rubber stamping divorces, and to send them to the exchequer court, making the Senate finally responsible for the decrees, he realizes the courage and foresight that these two particular members possessed.

One would like also to recall the suggestion the hon. member for Winnipeg North Centre (Mr. Knowles) made some time ago to the effect that divorce cases be dealt with by the exchequer court. It would also be unfair not to give a great deal of credit to the communications media, to churches and other organized public opinion bodies throughout Canada who have brought this social issue to the forefront and forced the government to take action.

• (4:00 p.m.)

The special joint committee of the Senate and House of Commons performed yeoman service in studying this problem and it would be fair to say its report forms the basis of the bill we have before us. I was not a member of that committee, but from my reading of the report it appears to me that the main issue was between those who advocate an approach by way of matrimonial offences as grounds for divorce and those who believe in the marriage breakdown theory. The former set up a list of matrimonial offences and rely on the judicial adversary system for proof thereof before a divorce is granted. Proponents of the marriage breakdown theory rely on the inquisitorial approach; the separation of the parties forms the basis for the action and the court proceeds to determine whether there has been an irretrievable marriage breakdown. If this is found to be the case, then if adequate provision has been made for the wife, the children, and in some instances for the husband, a divorce is granted.

Under the marriage breakdown theory great emphasis is placed on reconciliation. The government in its wisdom has combined both approaches, the major emphasis being placed on the matrimonial offence approach. The government shied away from the marriage breakdown principle because it was felt the courts would be given an indefinite and uncontrolled discretion, and preferred marriage breakdown to be established by proof of specific matrimonial offences.

Although I agree with the matrimonial breakdown principle, I must say the attitude which has been taken by the government appears to me to be proper at this time. I believe that in Canada we are not yet ready to accept in its complete form the marriage breakdown theory. Hon. members who have supported it have pointed to the examples of England and Australia. I would remind them that England is reaching its present attitude in two stages. Back in 1937 the government amended the divorce laws so as to include many of the matrimonial offences which are set out in the bill before us. Now Britain is ready to take a second step by recognizing the principle of matrimonial breakdown.

I would remind the house, too, that the English courts are specialized. Divorce petitions are heard in the divorce and admiralty court; criminal cases are heard separately; civil cases are heard separately. These courts are presided over by judges who specialize in particular fields of law, and judicial appointments to the bench are made bearing in mind the particular aspects of the law to be considered. We in Canada, on the other hand, appoint as our judges lawyers who have had experience both as solicitors and as counsel, and it seems to me we might not have available the specialized experience on the bench which would be required if the marriage breakdown theory were adopted.

Then again, I believe application of the marriage breakdown principle would leave too much room for interpretation and discretion on the part of the judges. Decisions could vary widely, and become highly unpredictable. Precedents would have to be built up in connection with many of the matrimonial offences to be considered. In other words, we might find that as the matrimonial offences theory is cast out of the front door by the legislature, it creeps into the back door of the courthouse.

Another reason advanced in support of the marriage breakdown principle has been the sordidness attached to proving adultery. I suggest it may be even more embarrassing or humiliating to proceed on the basis of marriage breakdown than it is at present, or than it would be under the terms of Bill C-187.

I can only speak from my own experience in the practice of law in Ontario. What I have found is that 98 per cent of all divorce cases are undefended and that no more than 5 per cent or 10 per cent are concerned with detective evidence. In the great majority of cases the action is approached on a so-called friendly basis; there is an absence of the humiliation and embarrassment to which some hon. members have referred.

Some have said there is a great deal of fabrication attached to evidence given in divorce actions. My experience has been that the judges of the supreme court are mature in their approach and can detect quite easily any fabricated evidence. In most instances it is not necessary to present evidence of catching a defendant in the act of adultery. Usually the evidence which is presented is evidence of past adultery which has been reported by one of the parties to the solicitor of the other party.

All one needs to do with regard to proving adultery in Ontario is to lay the foundation upon which an inference can be drawn that adultery has been committed. So there is a minimum of bitterness and humiliation. Ontario courts also require a report from the official guardian setting forth particulars with regard to the parties and the circumstances in which they are living, in order to give full protection to the wife and provide for the maintenance and custody of the children.

• (4:10 p.m.)

My criticism of the marriage breakdown basis is that an undue weight would inevitably be placed on the independent evidence of social workers and experts in marriage counselling. It is not clear whether the court would be called upon to take the mandatory or discretionary approach with regard to the procedure of reconciliation, and so social workers would be placed in the very awkward position of having to take sides with regard to the presentation of the evidence, and their function as social workers would be greatly impaired.

Again with respect to the marriage breakdown theory, the basis of the separation approach, it is said that once the separation has been established the court must determine whether the marriage is irretrievably broken down. In fact, in the committee report, as recorded at page 121, four questions are set forth as follows:

> Firstly, has the marriage broken down? Secondly, if so, are there any reasonable prospects of reconciliation? Thirdly, if not, is there any reason of public policy, especially involving the parties of the children, why the divorce should be denied? And finally, if not, what arrangements should be made regarding the parties and the children?
>
> By the suggested procedure, on proof of a period of separation alone, the court would be prepared to assume a positive answer to the question: has the marriage broken down; and in the absence of evidence to the country, it would assume similarly that reconciliation is not reasonably likely and that there is no reason to withhold the divorce. If there was anything in the evidence that led the court to believe reconciliation was possible, it could adjourn the case for an attempt to be made, but unless the fact of the marriage breakdown was strongly disputed by one of the parties, there would be no inquest to establish that the marriage had irretrievably broken down... Probably the only occasion for a full inquest into a marriage would be when a wife opposed it on the grounds that it would bring hardship upon her and her children, despite the fact that a husband had made quite an equitable arrangement. These cases would probably be few and the courts would be able to cope with them without any undue strain.

In this type of case you find one of the parties disputing the breakdown of the marriage. Advocates of the separation theory have said the separation term should be three years, but that may not be a sufficient period to bring about any reconciliation of the parties with regard to matrimonial offences. If a matrimonial offence has been an outrageous one, then possibly the period of three years may be too long. Some of the recommendations that were made covered periods ranging from two years to seven years. It is very difficult to determine an exact period with regard to the separation, and that may be the reason why it would be unwise to have separation as a sole and comprehensive ground.

Mr. Brewin: May I ask the hon. member a question?

Mr. Gilbert: Certainly.

Mr. Brewin: Does he not see you could still have breakdown which would require separation for three years, if that was the sole reason for the action; but if there was the so-called outrageous conduct you could then say the marriage had broken down in a period of less than three years?

Mr. Gilbert: I think my colleague appreciates the position I am placed in, that basically I believe in the marriage breakdown theory, but I find many practical difficulties presented by it. It may be, as he says, that if there has been an outrageous matrimonial offence within the three year period, then that period would be more than sufficient.

Now, directing my mind to the bill, Mr. Speaker, there are certain provisions which I am very happy to see in it. One is the extension of the matrimonial offences, and the combination of the two approaches covering matrimonial offences and the breakdown theory. The second is the provision which would have the effect of abolishing parliamentary divorce by setting up temporarily a new divorce division of the Exchequer Court of Canada, and enabling the jurisdiction to be transferred to the superior court of Quebec and the supreme court of Newfoundland.

The third provision in the bill which makes me happy is that respecting domicile. Practising lawyers appreciate the problems they have faced in the past with regard to domicile, especially where the husband had deserted. An attempt was made in 1930, through the Divorce Jurisdiction Act, to give the wife a limited break, but the provision in this bill goes far beyond that and it is certainly a most welcome one.

Next comes the question of the disappearance of one of the spouses to a marriage. In Ontario we had the situation that if one of the spouses could not find the other, after a period of six or seven years that party could apply under the Ontario marriage act for a marriage licence, and if, after reasonable inquiries were made, proof was offered that the other spouse could not be found, a licence was granted to marry a second time.

However, such people were always under the cloud that the first husband or wife might turn up, and this is not a very happy basis for a marriage. Further, the children of the second marriage were placed in a very awkward position if the first husband returned and the second marriage was declared to be void.

Of course there are shortcomings with regard to the bill. The first has been elaborated on by most hon. members, and it concerns the jurisdiction of the county courts. One would think the government would be happy to accept the county court jurisdiction as concurrent with that of the supreme court. Able argument has been presented by hon. members to show that small towns may be visited by judges on circuit only three or four times a year, and also the difficulty this causes in modifying maintenance agreements.

The question of costs is very important, and one would think that the costs in a county court would be much less than they are in a supreme court. One cannot help but be impressed with the evidence given to the joint committee by the former chief justice of Ontario. He gave that committee the benefit of his experience and recommended that there should be concurrent jurisdiction.

I would like to draw the attention of the Minister of Justice (Mr. Trudeau) to clause 3(d) where there is set forth certain conduct as a basis for a petition for divorce. This includes "sodomy, bestiality or rape, or has engaged in a homosexual act." One would think that lesbian acts should also be included. I think that is a shortcoming with respect to this particular provision in the bill. Another shortcoming concerns the question of adultery, where there is artificial insemination without the consent of the husband. These are provisions which probably will have to be amended in the future, and it may be necessary to incorporate new clauses now.

I also draw the minister's attention to clause 4(a)(i) dealing with imprisonment as the basis of a petition for divorce. It reads at present that the respondent—

> —has been imprisoned, pursuant to his conviction for one or more offences, for a period or an aggregate period of not less than three years during the five year period immediately preceding the presentation of the petition,—

• (4:20 p.m.)

One finds that in criminal law there are many sentences for two years less a day. So in respect of that sentence which sends a person to a reformatory in the particular province, one would have to determine whether two years less a day would constitute really two years time. A person could be convicted to two years less a day on one offence and be convicted for one year determinate on a second offence. In this case the petitioner would have the difficulty of not complying with the three year period because of the provision of two years less a day. I should like to direct the minister's attention to that particular sentence because it may be that some clarification is necessary with regard to this type of problem.

I should like to draw the minister's attention to another clause with regard to desertion, which says:

> ...by reason of the desertion of the petitioner for a period of not less than five years...

I note that under the Australian law the period in respect of desertion is two years. It

would seem to me that the five year period might create quite a hardship. In Australia, where they have adopted the marriage breakdown theory and where they have set forth 16 types of situations, we find that the period is two years. One thing which I am sure is in the minds of many members and many other Canadians is the problem of the possible flood of divorce actions in the next three years in the Ontario courts. Therefore I thought it might be wise to read about the experience in Australia, where they have standardized their divorce procedure. I should like to refer to an article in the Toronto Daily *Star* of April 29, 1967 by Geoffrey Tebbutt, which in part reads as follows:

> The standardization of the law and its liberalization in some important ways has not resulted in any startling increase in divorce.
>
> The number of dissolutions, nullities and judicial separations in Australia in the decade before the uniform divorce laws averaged 6,973 a year. There was a small drop to 6,750 in 1961, the first year of the uniform divorce law.
>
> Since then, the figures have been 1962, 7,290; 1963, 7,513; 1964, 7,967; and 1965, 8,534. The upward trend is largely due to population growth.
>
> The single ground most frequently cited in Australian divorces in 1965 was desertion (3,777 cases), followed by adultery (2,035 cases) and separation (1,706 cases).

Mr. Speaker, this should give some encouragement and some consolation to people who think we will be flooded with divorce actions. When one realizes that there are 500,000 common law marriages in Canada at the moment he also must realize that if people are to put their matrimonial house in order there probably will be an increase for a certain period to take care of the problem and to restrengthen the institution of marriage.

In closing, Mr. Speaker, I should like to give the Minister of Justice credit for his courage and his initiative in bringing forth this bill at this particular time.

Mr. Melvin McQuaid (Kings): Mr. Speaker, I might say at the very beginning that despite the shortcomings of this very important piece of social legislation I intend to support it. In all probability I shall vote for it on second reading. I take this position despite the fact that I am one who believes that a valid marriage cannot be dissolved by any civil authority. However, I must say I do not expect to impose my beliefs on all the people of Canada. The power of the civil authorities to dissolve a marriage is now an established fact in our society. I do not expect that the laws of this country should be framed in such a way that they would prevent from obtaining a divorce those who in good faith do not believe that marriage is indissoluble.

I was privileged to be a member of the joint committee of the Senate and the House of Commons which heard the representations made by various organizations which appeared before it. There certainly seemed to be broad general agreement on the need for legislative reforms which will provide more adequate social means to deal with marital problems. Those of us who listened to the testimony could not help but be impressed by the fact that unfortunately there are today some marriages which in fact are a hell on earth. We were very often reminded of the heartbreak and sometimes physical cruelty which results from such marriages. For those who find themselves in this unfortunate situation and believe in divorce, there should be some relief.

However, in our enthusiasm to provide this relief by a reform of our divorce laws we must not lose sight of the fact that lifelong marriage is the ideal, and that suits for divorce must be the last resort in the case of apparently broken marriages. We must not forget that the family is still the basic unit of society and that any forces which tend to destroy that basic unit are the enemies of men, and must be recognized as such. I believe we will all admit that a stable marriage is preferable to divorce.

It had been my hope that the proposed legislation would have made some provision to help promote stable marriages. In our desire to give relief in deserving cases we must not abandon our efforts on behalf of happy homes. I suggest that this is of direct concern to parliament. I suggest further that any further changes in the divorce law should be related to measures which have as their objective the fostering of stable marriages.

It is true that the present legislation does provide measures for reconciliation procedures but, as already suggested here today, I am afraid these will not be very effective. Clause 7 of the bill provides that the solicitor who is acting for the parties is required to draw to the attention of his client the provisions of the act which have as their object the bringing about of a reconciliation. He is

obliged under this clause to inform his client that marriage counselling assistance might be available to him. He is obliged to discuss with his client the possibility of reconciliation. I suggest, however, that this may very easily become merely a matter of routine. The solicitor will do it simply because he is required to do it. That in itself does not guarantee a reconciliation.

• (4:30 p.m.)

I followed very carefully the proceedings of the committee and tried to analyze the more than 1700 pages of evidence, which I think represents every shade of opinion. It would appear to me that six major points evolved from these hearings and I should like to place these on record. The first is the need for reform of our present law. I do not think there is any question about the fact that everyone who appeared before the committee agreed that the present laws need reform. The measure now before us is a step in the right direction, and while I do not entirely agree with it I am prepared to support it because it is a reform of what we now have on the statute books.

The second point is that suits for divorce should be the last resort. This was also recognized by practically everyone who testified at the committee hearings. The third point is that at times even the best of marriages, as they pass through various stages, require counselling services. These services should be available to all Canadians.

I realize that to provide such services will present problems, inasmuch as people who are properly qualified to give these services may not be readily available. Something should be done to encourage more people to take up this profession so that counselling services can be made available when required. The fourth point is that reconciliation procedures are often necessary and often effective in rebuilding marriages that are on the brink of destruction. Reconciliation attempts should therefore be a part of any legal proceedings dealing with faltering or broken marriages. The fifth point is that there is impressive, if not complete agreement that the marriage breakdown concept should replace that of marital offences in divorce proceedings. This has been adequately dealt with by other speakers. I personally would prefer to see the marriage breakdown concept supplanted as the only ground for divorce, rather than retaining the various things set out in the measure.

I do not think it is true that the marriage breakdown concept will lead to more divorces or make divorce easier, and I think this concept was recognized by most of those who appeared before the committee as the one more likely to relate properly to the necessity for divorce, rather than the specific things mentioned in the present law, or this bill.

The sixth and final point was in relation to the need for specialized courts to handle divorce cases. That point was clearly brought out by a number of people and organizations who presented briefs and gave evidence. I am fully cognizant of the many difficulties involved in this matter. There are constitutional questions which have to be taken into consideration. In Canada today there is a shortage of facilities and trained personnel for marriage education and counselling work, but the fact remains that the evidence presented to the joint committee indicated a widespread feeling throughout Canada that nothing short of an all-out effort should be made to establish and maintain the stability of the family unit. It is our duty as parliamentarians to strengthen marriage and family life, and foster enduring marriages.

It is for these reasons I should have liked to see more incorporated into the provisions in this measure which would help to provide marriage stability. Unless I am mistaken, there is a rather serious deficiency in the provisions of clause 4(1)(d) which provides that one reason for dissolution of marriage is that the marriage has not been consummated and the respondent at least for a period of one year has been unable by reason of illness or disability to consummate the said marriage. It seems to me, and if I am wrong the minister will correct me, that in this regard one would have to prove two things. He would have to prove that the marriage had not been consummated and that for a period of not less than one year the respondent had not been able to consummate the marriage. What about the case of a married couple who had originally consummated the marriage and then, by reason of a serious accident to the husband, it was not found possible further to consummate the marriage? Is there any provision for divorce in a case of that type?

Mr. Trudeau: In answer to the hon. member, Mr. Speaker, there is no such provision. The hon. member will realize the difficulty in

respect of the problem he poses, because if there has been consummation how would we define the accident or its seriousness? Would we include old age, or just disaffection? There is this problem, once the marriage has been consummated. One can visualize that if there has been no consummation for a period of a year this may be because the couple are elderly. Does the hon. member want to allow divorce in this kind of case? This is the problem we grappled with, and short of spelling out what type of accident might fit the provisions I do not know of a solution.

Mr. McQuaid: Would it not be better to provide that by reason of illness or disability the marriage could not be consummated rather than leave it as it now is? Could we not say that if a marriage had not been consummated for a period of at least one year by reason of illness or disability this would be a ground for divorce, rather than making it necessary to prove in addition that the marriage had never been consummated? I am not particularly anxious to widen the grounds for divorce but I think in this kind of case there should possibly be some relief. If non-consummation of a marriage is to be a ground for divorce then I think that non-consummation by reason of illness or serious injury should also be a ground.

Mr. Trudeau: Of course in such a case the other test would be used. If a couple had lived in separation or apart for three years they would come within the provisions of this bill. If we follow the one year period, the condition that there has been no consummation must apply; otherwise once again you might have divorces between aged people at the end of one year rather than three.

Mr. McQuaid: I do not want to argue with the minister, but at this time I suggest that the separation or living apart provision is not good enough. These parties may be living together in one household, and I suggest that some consideration be given to providing relief for those who by reason of illness after original consummation of the marriage are no longer able to consummate the marriage. I think this follows one of the recommendations of the committee. Speaking from memory I think the committee recommended that wilful neglect or wilful refusal to consummate a marriage be made a ground for divorce, and that also serious mental or physical illness, with some evidence that such will continue for a lengthy period of time, should be a ground. I am not suggesting that a period of one year should be sufficient. One can foresee the case of a man who has been in a serious automobile accident being disabled for a period of a year or more. There should be some time limit so that relief can be given in cases of this kind. This should be possible to work out.

[Mr. Trudeau.]

• (4:40 p.m.)

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I do not intend to speak at any length at this stage of the bill, nor is it my intention to enter into a discussion of the details contained therein. However, I do want to make a few brief comments in a general sense regarding the matter that is now before the house. I followed with a great deal of interest the minister's statement when introducing this measure, which proposes to make some fundamental changes in Canada's divorce laws.

We all know that for some time this subject has exercised the minds of a great many Canadians. Many have vociferously urged divorce reform while others have viewed such reform with some misgivings. Those who tend to oppose reform in our divorce legislation do so, not because they desire to inflict further unhappiness on those concerned but because they view the trend as a threat to the established and divinely ordained institution of the family and the home, which in turn is recognized as the very foundation of our society and our nation.

Therefore the introduction of this legislation will meet with a mixed reception across the country, even though many members have stated that the country in general is more than ready to accept fundamental changes in our divorce laws. Personally I cannot share the undisguised joy with which some members of this house have greeted the measure. I have been rather surprised at the almost unanimous support that has been indicated. As I have pointed out, some have referred to this legislation in very glowing terms, even to the extent that it will be a wonderful Christmas present for a great many people. It seems to me that we have now reached the point where we have some very queer ideas about Christmas and Christmas presents. Therefore, Mr. Speaker, I do not think this legislation would fit into the category that has been attached to it.

I have a copy of the brief, as have all hon. members no doubt, that was presented to the House of Commons committee on divorce by the Congress of Canadian Women on June 27, 1966. I should like to read just two sentences which are to be found on the first page of the brief:

> Divorce is a social devil, a disease symptom of a society that is ill. The remedy does not lie in making divorce more difficult but in seeking out the causes and as much as possible in removing them.

I am not indicating that this brief is opposed to the suggestions of divorce reform, but I wanted to place on record this particular definition of divorce because I believe it is something that should cause us some uneasiness as we deal with the legislation that is before us.

I do not believe that divorce reform will be the cure-all for the social problems that face us. Mention has been made of a number of these problems, such as illegitimacy, so many people living in a common law relationship, and many other things. Hon. members have spoken about the unhappiness that is inherent in a situation where love has departed and the relationship has settled down to more or less an endurance proposition.

I do not believe that divorce will solve all these problems. I am not so naïve as to believe that if we make it easier for people to obtain a divorce there will not be common law relationships, because we find that a great many of these relationships are formed even if there is no impediment to marriage. Therefore, making divorce easier to obtain will not meet this particular problem. It will not mean that those who obtain a divorce and then remarry will be happy.

I think we all know of a great many cases where people have been divorced and have remarried three, four, five or six times and still have not been happy. Therefore, Mr. Speaker, this measure will not be a cure-all as far as the unhappiness of certain individuals is concerned. I acknowledge, however, that there are those who will benefit by changes and amendments to our divorce laws. But this measure certainly will not meet the situation in every case.

I believe it should be a source of great concern to us that we have failed in our endeavour to promote and maintain a society that is built on the concept of the sacredness and permanence of the marriage relationship. I think if we viewed the question from this point of view it would take some of the jubilation out of us as far as the introduction of this measure is concerned.

My attitude to the bill before the house does not involve a choice between what I conceive to be right and what I conceive to be wrong. I am forced into the position where I have to make a decision between what I consider to be two evils, on the one hand divorce and on the other the regrettable tragedy of legal relationships without meaning. Therefore in making my decision with regard to this matter I have to choose the lesser of the two evils.

Having voiced these fears, and while my understanding of the moral and spiritual laws as outlined in the Bible require that those of us who accept its authority govern ourselves accordingly, I am constrained to acknowledge the validity of the argument advanced by many in this house and by the minister in his introduction of the bill, namely that we must recognize the difficulty of applying what may be ecclesiastical, religious law to what the minister has termed a secular, or I believe he used the word profane, society.

As I have pointed out, it is not my intention to deal at this time with the various provisions of the bill. I wanted to indicate to the house that we are not unanimous by any means in approval of the measure that is before us; at least we are not in full agreement as far as its general concept is concerned.

• (4:50 p.m.)

Reference has been made to the brief presented by a number of Canadian churches. The names of the churches have been placed on record and I do not propose to name them again, but I just wish to say that I have been rather surprised by the position taken by some of the churches in regard to this particular issue. The hon. member for Greenwood (Mr. Brewin) mentioned in his address the fact that this brief supports the marriage breakdown concept. I assume that it does, for it states that the validity of the marriage breakdown concept must be examined seriously and scientifically in contrast to the marital offence concept. Therefore I do not think I am doing the brief an injustice by assuming from it that its authors advocate the marriage breakdown concept.

Mr. Brewin: May I ask the hon. member a question? I do not wish to give him information but merely to ask him a question. Does he know that the United Church of Canada, the Anglican Church of Canada, the Seventh Day Adventists, and a group of other churches explicitly advocated the marriage breakdown theory as a basis for divorce? They stated so clearly, not by implication.

Mr. Patterson: Yes, individual briefs have been presented with regard to that; but I was reading one section taken from this brief, and perhaps I should place on record the names of the churches involved. They were The Anglican Church of Canada, The Canadian Catholic Conference, the Lutheran Council in Canada, the Mennonite Central Committee, the Presbyterian Church in Canada, and the United Church of Canada. I want to say again that I was very surprised at the position taken by these churches. However, I would not agree with the suggestion which has been made that all the churches in Canada take the same stand.

I would be interested to know to what extent these statements reflect the views of the membership of these religious organizations, because we know that a great many briefs which are presented to parliament on various subjects do not represent the views of the rank and file of the organizations which sponsor them.

I should like to commend the minister for taking the position that we should not go to the full extent recommended and advocated by the churches, but rather combine the two concepts, namely the marital offence and the marriage breakdown concepts. I think he was wise in doing this. If we are to move in this direction—and I do not think there is any question about it—we will have to do so. It is my view that marriage should be indissoluble, and I think some other hon. members also have stated this view. The indissolubility of marriage is the ideal toward which we should strive, and we should do everything possible to promote this concept.

Some hon. members have said that divorce should be the last resort. I believe so also. I think that ample time should be provided for counselling and guidance to save the marriage, if at all possible. I have been discussing with some of my colleagues the possibility that many young people will be more likely to enter into marriage without considering it carefully, and will say: If we cannot make a go of it, we can always divorce. The relationship they would enter into would then be a trial marriage. I suggest there should be a time limit of two or three years following a marriage before consideration is given to granting a divorce in these instances. I also believe that every possible provision must be made for any children involved.

In conclusion let me emphasize that every effort must be made to develop and to promote a full and healthy respect for the institution of marriage, which is basic in our society.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I do not suppose there is a single member in this house who would disagree with the belief just expressed by the hon. member for Fraser Valley (Mr. Patterson), that marriage should be a partnership for life and that this is the ideal toward which we should strive. But as in human relationships in other fields, the ideal cannot always be achieved, and people for one reason or another have not found it possible to continue a partnership for life although they entered into it with the full expectation of doing so. In my view it is wrong under these circumstances to compel people, who have lost the love and respect for each other which brought them together in the first place, to continue that relationship when they no longer have the basis on which the marriage was built in the first place.

I also believe that divorce is no cure-all. There is no cure-all for such situations. I think that divorce is an essential measure which we must keep up to date as we do other measures in other fields. We live in a climate of social change which means that we must bring our legislation up to date, whether it be on capital punishment, divorce, birth control, abortion or any other matter, because public opinion demands that we sanction in our legislation the changes which our society has brought about.

May I call it five o'clock, Mr. Speaker?

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

• (5:00 p.m.)

BUSINESS OF THE HOUSE

Mr. MacEachen: May I rise at this time to advise the house that the business for Monday will be the divorce bill.

Mr. Knowles: Followed by—?

Mr. MacEachen: Broadcasting.

CRIMINAL CODE

AMENDMENT TO PROHIBIT WIRE TAPPING

Mr. David Orlikow (Winnipeg North) moved the second reading of Bill No. C-18, to amend the Criminal Code (wire tapping, etc.).

He said: The purpose of this bill is to revive the old common law offence of eavesdropping. I introduced this bill because of my concern and the concern of an increasingly large number of people in this country about what we believe to be a pernicious practice. This practice has been followed by law enforcement agencies, private investigators and probably other interested people who have invaded the privacy of ordinary citizens for personal reasons through the use of more and more highly sophisticated equipment. This practice used to be called wire tapping but the equipment used is now so sophisticated it does not require the physical tapping of the wires.

This bill, Mr. Speaker, is very similar, with small amendments, to the bill introduced in this house several sessions ago by the Solicitor General (Mr. Pennell) when he sat as a private member. We in Canada have traditionally looked upon ourselves as being very moral people. We have been quick to condemn the very antisocial activities in other countries such as the United States. One of the subjects upon which we have seen frequent reports in Canadian newspapers and magazines has been this question of wire tapping in the United States, the interception of telephone conversations. These articles suggest that is a common thing in the United States. Until recently this practice was reported in Canadian newspapers as if it were something which did not happen in Canada. The facts of course are entirely different. As they have become known in recent years, the facts prove that in every province of Canada there is no doubt taking place what we commonly call wire tapping.

On other occasions when I have introduced this bill I have given some illustrations. I will go over them quickly today because I do not believe there is any need to put all of the details on the record. I said earlier, Mr. Speaker, and I repeat, that I am satisfied on the basis of information I have received and which I consider to be accurate, that the Royal Canadian Mounted Police used wire tapping extensively in Montreal at the time they were investigating the bombing carried on by the F.L.Q. I said before, and I say again, that this was a very serious situation, so one cannot blame the police for taking all the steps which were required. The point I made before, and which I make again, is that if the parliament of Canada believes wire tapping is necessary, then the law should be amended to make clear that wire tapping by the police is permissible and legal, and any restrictions or limitations upon it should be spelled out.

If hon. members doubt that the R.C.M.P. carries on the practice of wire tapping, I refer them to an article which appeared in the Toronto *Star* of August 31, 1966, written by Robert Reguly. I am sure most members will know him as a very aggressive, successful and accurate reporter. I should like to quote a couple of paragraphs from this article:

> For the R.C.M.P. has a discreet liaison with the Bell wiretap-checking branch in Montreal. The three Bell men there who check for wiretap are ex-mounties, according to a former Bell official.

Later, in the same article, I read:

> S.I. maintains a wiretap installation in one of the major downtown Montreal hotels, enabling it to tap any room phone.
>
> Another Montreal hotel—and one in downtown Toronto—are notorious for susceptibility to mountie wiretapping.

It is a very frightening thing, if it is true and I believe it is true, to think that if a member of parliament or any other citizen happens to be at these hotels his telephone conversation may be overheard. I do not know whether this would be the Mount Royal, the Queen Elizabeth or the new Bonaventure. In any event, a telephone conversation may be listened to by the R.C.M.P. or some other private agency. Other competent reporters have put on the record several times instances of wire tapping activities by the R.C.M.P. I know for a fact, Mr. Speaker, that during the S.I.U. investigation by the R.C.M.P. a hotel room in Toronto was set up so the R.C.M.P. could listen to conversations taking place. It is now an established fact of record that in Saskatoon the one telephone

which prisoners in the jail could use had been so worked over by the police that they could listen in on every conversation. I say that if a person wants to speak to his lawyer, for example, and the police or anyone else can listen in on the conversation, then this is a pretty serious thing. One would hope that in our kind of society, with our ideas of British justice, the conversation between the person accused of a crime and his lawyer would be confidential. Otherwise how can a person get the kind of defence in court to which we think he is entitled?

In Edmonton, under a local bylaw, the police were permitted to listen in on telephone calls. There was a report in an Edmonton newspaper, I think in 1965, to the effect that in the previous year the police had tapped 87 telephone conversations. Within the last year in the city of Vancouver a royal commission held hearings about the tapping of the telephones of certain union officials. I believe in the right of people to have privacy. I believe that wire tapping should be prohibited. For the benefit of the hon. member for Rosedale (Mr. Macdonald), who usually follows me when I introduce this bill, I may say that I do not exempt any person from my distaste for wire tapping. I am not going to argue today whether the hon. member for Rosedale is correct in his statements. Let me say right now that if a former attorney general in the C.C.F. government of Saskatchewan was guilty of recording telephone conversations by wire tapping or by tape recording, I think it was wrong. If a union official in British Columbia, who I feel is a very fine person, asked a private investigator to do any wire tapping, then this was wrong.

• (5:10 p.m.)

Mr. Macdonald (Rosedale): Mr. Speaker, may I ask the hon. member a question, which really is a question by way of a statement. I regret that he has not a new speech this year, because I have. I may not have the opportunity to make it because I understand one of my colleagues is following the hon. member, but to save him any trouble I am not going to use last year's arguments this time; I have a new set.

Mr. Orlikow: That is good, Mr. Speaker. I hope that this year the hon. gentleman will support me, because I have some new stuff too.

I understand that the civil rights section of the bar association has endorsed in principle

[Mr. Orlikow.]

legislation to prohibit the use of wire tapping, except in very special circumstances. I think these special circumstances are covered by the bill I am introducing today. I hope that the hon. member for Rosedale (Mr. Macdonald) will listen, if not to me, as he has not in the past, then to the Canadian Bar Association, and give my bill some general support, rather than the kind of living to death that he has given it in past years.

I put these facts on the record, Mr. Speaker, to demonstrate once more that wire tapping in Canada is taking place. An article appearing in the May 17, 1966 issue of the Toronto *Globe and Mail* dealing with industrial espionage in Canada went into great detail to demonstrate that increasing use is being made of wire tapping. I do not know whether the hon. member for Rosedale read this article but I should like to read one paragraph. The article referred to a man who was in the business of supplying equipment for wire tapping purposes, and one paragraph was as follows:

> Most of his clients are lawyers, private investigators and industrial companies. He described industrial espionage as growing by leaps and bounds in Canada.
>
> "It is reflected in my business. May sales of devices have increased more than 500 per cent in the past five years," he said.

Since it has usually been the hon. member for Rosedale who has contributed to the talking out of my bills, I thought I would restrict to the Toronto newspapers my quotations from newspapers which have come out against wire tapping. I would therefore put on record what they have had to say. It is not often that the Toronto newspapers agree with each other but here are some of the things said in editorials.

In an editorial that appeared in the Toronto *Star* on September 8, 1967, the following appeared:

> The bar association's suggested amendment deals with both these problems. It begins with a general prohibition of electronic espionage. An exception would be made in favour of the police, but this would be hedged around with special restrictions.
>
> Police officers would have to get a court order —and presumably satisfy the judge that the procedure was necessary—before they could be permitted to instal bugging devices in a suspect's home, office or car in order to listen in on his conversations.
>
> As a further safeguard, no court order could be issued authorizing the police to listen in on conversations between lawyer and client, husband and wife, or priest or minister and parishioner.

Here is one paragraph from an editorial that appeared in the Toronto *Globe and Mail* on December 9, 1966:

> Obviously, there is a need for laws to restrain electronic eavesdropping—not just for private individuals, but for the police, the military, and everyone. Bugging is an invasion of individual privacy; the dangers of permitting such an invasion to go unchecked are far greater than those involved in depriving private and public investigative agencies of a useful tool.

An editorial which appeared in the Toronto *Telegram* on May 13, 1966, critical of the Solicitor General (Mr. Pennell), had this to say:

> If the R.C.M.P. resorts to wire-tapping, which is illegal under the Criminal Code—

I interject to say that I do not think that is right.

> —he must put an end to this practice, for the force is breaking the law. He should also announce this action to parliament and the country.
>
> If the R.C.M.P. is not engaged in wire-tapping, he should clear it of this suspicion at once by making a statement in parliament.
>
> If Mr. Pennell believes that wire-tapping is a necessary method of investigation, he should admit this. He should then introduce legislation to make it legal for the R.C.M.P. and other police forces to carry on this practice.

It is not often that I agree with the editorials of the Toronto *Telegram*, but in this case I agree completely. As far as I am concerned, Mr. Speaker, I see no reason for wire tapping. Nevertheless, if those who are charged with the administration of justice do believe it is necessary, then I suggest they ought not to carry it on injudiciously, refusing to admit it is being carried on, hoping to get by, and that the public will ignore it. They at least ought to have the honesty to report such cases to the minister; and the minister ought to bring in legislation which would make it clear, as I think my bill does, that wire tapping is prohibited except in certain special circumstances, and these circumstances should be detailed.

It may be that I would not agree with the reasons given by the minister for permitting wire tapping, but at least the matter could be discussed by parliament. Then if wire tapping were permitted it would only be on the condition that the police went to a judge of the superior court, gave reasons for the wire tapping and obtained a court order. In addition, Mr. Speaker, a report should be made once a year, as I understand is the case in Great Britain, of the number of times the authority given the police by the law had been exercised.

As I say, Mr. Speaker, not only do the police resort to wire tapping but I am also satisfied—and I think the evidence proves this—that private investigators can and do resort to this, to me, dirty practice. I think the practice is reprehensible and should be prohibited.

I do not expect the government to give passage to the bill tonight, but I hope that when the Minister of Justice (Mr. Trudeau) brings forward his consolidation of the changes to the Criminal Code it will include a new section of the Criminal Code that deals with wire tapping practices. I would like to add that if this kind of section is not included in the changes to the Criminal Code, then the members of this party will bring forward an amendment to that end.

Mr. Robert Stanbury (York-Scarborough): Mr. Speaker, it seems I have the honour that normally goes to the hon. member for Rosedale (Mr. Macdonald). I certainly appreciate the opportunity of speaking on this subject, which is of considerable concern to me as it is to the hon. member for Winnipeg North (Mr. Orlikow) and others including members on this side of the house.

It has been pointed out that this matter was first raised in this house by the hon. member for Brant-Haldimand, the present Solicitor General (Mr. Pennell), and I believe that the bill now under debate is substantially a copy of his original bill. This is a source of great disappointment to me, Mr. Speaker, because I think it must be recognized that the bill introduced several years ago by our present Solicitor General was entirely inadequate for the needs of today.

The bill introduced today by the hon. member for Winnipeg North I would have expected to be much improved over the one he introduced last session, but this is not the case; it is still a horse and buggy approach to one of the problems of the electronic age. One might say, this is a horse and buggy approach to bugging. Today, snoopers have progressed beyond the stage conceived of by the hon. member for Winnipeg North in this bill.

• (5:20 p.m.)

Mr. Orlikow: May I ask the hon. member a question?

Mr. Stanbury: Yes, and I will be pleased to try to answer it.

Mr. Orlikow: Does the hon. member really believe that if I had done a great deal of

work to bring the bill more up to date it would stand a better chance of passing?

Mr. Stanbury: I am glad the hon. member asked that question. If he were familiar with the work done in connection with this subject he would realize that there was a bill introduced in the house last session which did go far beyond his own. As a matter of fact it was introduced by me. It was not passed because the hon. member who was then minister of justice was not prepared to see it pass, as I am sure his successor is not prepared to see the bill under discussion today pass. I recognized the validity of my hon. friend's reasons then for not wanting to pass that legislation in the form in which it was submitted. What I did not understand was his failure to have these bills or their subject matter brought before a parliamentary committee. I regret that the present Minister of Justice (Mr. Trudeau) is not in the house at the moment because I intend to suggest that in the next session, at least, if not in the present one, this kind of study should be made by a parliamentary committee.

The hon. member for Winnipeg North in presenting his most inadequate bill gave the impression that approval had been given to it by the civil liberties committee of the Canadian Bar Association. If he had done his homework he would know that this is not the case. What has happened, as I understand it, is this: Last fall a report was made to the annual general meeting of the Canadian Bar Association in the form of a resolution far broader than that suggested by the hon. member. My information is that it was in these terms:

(1) All electronic eavesdropping be made a criminal offence with the proviso that electronic eavesdropping may be employed by law enforcement agencies under judicial control.

(2) Electronic eavesdropping shall not be permitted under any circumstances to interfere with privileged communications.

(3) Electronic eavesdropping shall only be authorized in circumstances analogous to those under which a peace officer has the right to arrest without warrant.

(4) Evidence obtained through the illegal use of electronic eavesdropping shall not be made admissible in any court of law.

(5) Any charge before any court, the investigation of which has in the opinion of the court been furthered by means of wilful disregard of the provisions against electronic eavesdropping shall be dismissed, unless the court is of the opinion that such a dismissal would not be in the interest of justice.

I understand that this resolution was not adopted by the Canadian Bar Association because a majority of the members present for the closing session were of the opinion that there was not then sufficient time to consider properly a matter of such importance. However, I believe it will be considered at the next annual meeting and it is intended that a copy of the resolution will be circulated well in advance so that a full discussion might take place. I am informed that a half day of the general meeting will be set aside for the sole purpose of considering this resolution. This gives some indication of the importance attached to it by the Canadian Bar Association.

It is clear that the hon. member for Winnipeg North has scarcely scratched the surface of this problem in his minimal approach to it. If one looks back to the report of those who studied this subject for the benefit of the civil liberties section of the Canadian Bar Association, one finds that as far back as 1965 the chairman of that group, Mr. Aubrey E. Golden, in a report he submitted on September 2 of that year set out what he and his group felt were minimum requirements for legislation. I should like to quote from this report.

It is my respectful submission that only one federal enactment is required. It must be such that it constructs an effective balance between the interest of the individual citizen in maintaining his privacy and the right of the state to secure itself against crime or unlawful activity.

Federal legislation should absolutely prohibit eavesdropping and wire-tapping and make only rigidly defined exceptions where the interest of the state appears to be paramount.

Later, he says:

I would submit the very minimum requirement for exemption is that a county court judge be assured that the conditions of the statute for exemption are satisfied by ex parte vive voce examination of the police officer in charge of the investigation as well as obtaining a written information setting out the basic facts.

The conditions which seem to be reasonable for the granting of a warrant of exemption to a police officer are:

(a) the offence being investigated must be an indictable offence;

(b) normal methods of investigation must have been tried and failed, or must, from the nature of things, be unlikely to succeed if tried;

(c) there must be good reason to think that an interception would result in a conviction;

(d) where the identity of the person sought to be convicted is known, that no other charge is pending against him.

Mr. Golden in his report goes on to examine in some detail the considerations which should enter into the drafting of such legislation. He states it should be an offence

to divulge any confidential communication between counsel and client which may happen to be overheard by anyone. He suggests that any kind of approved eavesdropping and wire tapping activities should be limited to a period before the actual charge is laid. He suggests that the only reasonable sanction for failure to observe any restriction which might be placed in the Criminal Code concerning wire tapping or eavesdropping would be the automatic dismissal of any resulting charge in the event that it follows any unauthorized activity. In addition, he suggests, violation of such legislation should be made an indictable offence, with severe minimum penalties provided.

• (5:30 p.m.)

Mr. Golden in this report stresses the fact that we must sanctify the right of privacy with strong legislative action, and only then should we recognize a carefully defined and safeguarded procedure which will assist our law enforcement agencies. He points out that both the United States and Great Britain have held public inquiries, with some educational effect, on the questions of wire tapping, eavesdropping and the invasion of privacy, but in Canada this has not been done.

I agree with Mr. Golden that it is difficult to see how truly effective legislation can be enacted by a government until it is in possession of such basic facts as would indicate where eavesdropping is most useful to law enforcement agencies, and until it has a definition of the real civil liberties issue. I submit that there should be such an inquiry where all interested parties could make submissions, and the issue be put into perspective for government and public alike.

In the United States there have been hearings on this subject over the past two years. Since last March the subcommittee on administrative practice and procedure, headed by Senator Edward V. Long, Democrat, of Missouri, has held hearings on a right of privacy bill. The first witness to be heard at those hearings was the attorney general of the United States, Ramsey Clark. Those hearings continued until October last when the bill was referred to the senate judiciary committee. At that time the Missouri senator in a press statement said:

> This bill is essential if we are going to clear up the legal fog that now surrounds wire tapping, eavesdropping, and snooping in America. I think Congress owes it to the citizens of this nation to act on this measure as soon as possible.

This right of privacy bill would prohibit all wire tapping or mechanical bugging except with the consent of one party. However, an exception is made for the President of the United States to authorize the use of these devices where the national security is threatened. It would also prohibit the manufacture, shipment, and advertising of all devices in interstate commerce which are designed for wire tapping and electronic snooping.

Another prominent American who has spoken out on the subject is Senator Robert F. Kennedy, Democrat, of New York, who in a speech before the law school forum at Columbia University last year said that all modern technology must be used in fighting crime, and he added:

> At the same time, however, we must act to assure that the new technology serves us properly and does not invade the privacy of the individual.

That should surely be the purpose of any legislation on this subject which is passed by this house. We should be much more ambitious in our attempt to attack this most modern of problems than has been the hon. member for Winnipeg North. Our purpose in reform in this field should surely be to protect truly the little man from the big ear.

It is clear from previous debates in the house on this subject that corporations and wealthy persons can protect themselves from electronic snoopers with counter devices which are almost as sophisticated as those available for snooping. There is, in fact, no legal restriction in Canadian law against the manufacture, sale or use of electronic devices for either snooping or the detection of snooping. This is a very grave lack in the law which should preserve the rights of Canadians to privacy.

In stressing the importance of a broad brush approach to such reform I would like to refer again to an editorial which my hon. friend from Winnipeg North mentioned in support of this bill; but when he hears my quotation from it, I think he will recognize it in fact as a clear denunciation of his approach. This editorial in the Toronto *Star* of September 5, 1964, included the following statement:

> What is needed is an amendment to the Criminal Code that would ban all electronic or mechanical eavesdropping. The only exception would be made for police eavesdropping with the permission of a superior court judge.

That obviously goes far beyond what the hon. member is proposing in his bill.

Mr. Orlikow: And far beyond what the Minister of Justice will agree to.

Mr. Stanbury: The previous minister of justice took the position that he wanted to receive the report of the royal commission on security before making any further study of this matter. I disagree completely with that approach, and I hope the present Minister of Justice will not take that position. I have suggested in the past, and I suggest today, that while we are awaiting that report there is no reason why a study could not proceed, for instance in the justice and legal affairs committee, on matters not touching national security. I urge the Minister of Justice to have the subject matter of the bills now on the order paper, and of the bills previously introduced, referred to that committee for study.

Mr. D. S. Macdonald (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it is a great pleasure to be here again debating with my hon. friend from Winnipeg North (Mr. Orlikow). In a time of continuing change in the political situation of Canada, it is always reassuring that there will be occasions like this when he will reintroduce the bill he has introduced for many years past and I in turn will have the opportunity to speak about it.

Several things have occurred in the useful relationship he and I have had in this regard. The first, dealing with eavesdropping, has been the appearance of intruders in this field. I am pleased to have the participation and the assistance of the hon. member for York-Scarborough (Mr. Stanbury), and I am sure the hon. member for Winnipeg North must be equally delighted to have the support of that pillar of ultramontane society, the doyen of manners and morals in this house, that defender of king and empire, the eloquent and articulate member for Kootenay West (Mr. Herridge), who has introduced the bill which immediately follows that of the hon. member on the order paper, dealing with this same subject matter.

Therefore we will have the opportunity not only of discussing the type of law which the hon. member for Winnipeg North thinks is appropriate here—and for reasons I will deal with later, which I think is inappropriate—but in the near future and I think I can predict a time of not less than an hour, we will have the opportunity of discussing at great length, the legislative proposal being put forward by the hon. member for Kootenay West.

The hon. member for Vancouver Quadra (Mr. Deachman) tells me he thinks I should express a little praise also for the members who have stayed to listen to this debate, and I am quite prepared to recognize their participation in that manner over the years.

• (5:40 p.m.)

I have given an undertaking to the hon. member for Winnipeg North not to refer to any of the material I used in previous years, or for example to the fact that his political friends may have engaged in these self-same practices in Saskatchewan. I take it as accepted that that has occurred, and therefore I will not go further into the question. I should like to introduce into the debate what I believe has been perhaps a useful addition to the public documents on this subject. This has become available since we last discussed this matter. I am referring to the report of the Commission of Inquiry into Invasion of Privacy. The hearings of this commission were conducted by Commissioner R. A. Sargent in the province of British Columbia, and the report is dated August 9, 1967. As I believe hon. members are aware this had to do not so much with telephonic wire tapping as with bugging or eavesdropping which had been engaged in during the course of a union dispute.

The first conclusion to which the commissioner came, as the hon. member for York-Scarborough (Mr. Stanbury) has already said, was that there was no question that the union official, Mr. O'Neal, was involved in any illegal conduct. In fact there is no criminal law and I do not believe there is any civil law in Canada—although I should not speak for a jurisdiction where I am not a member of the bar—in this regard. Perhaps the most useful part of the report of the commissioner, however, is the catalogue of types of eavesdropping or interception of conversations which were engaged in in British Columbia.

The reason I feel I cannot accept the hon. member's bill—although I acknowledge that it is similar to a bill which was introduced at one time by my hon. friend the Solicitor General (Mr. Pennell)—is that it is not adequate in this regard. I should like to refer my hon. friend to the excellent study made under the direction of Mr. Samuel Dash of Pennsylvania. The details of this are to be found in a book entitled "The Eavesdroppers". I believe Mr. Dash has presented much better than I could the particular criticism I

would have of the hon. member's bill. At page 6 of "The Eavesdroppers" there appears this observation:

> The failure of legislators to recognize the relationship among these eavesdropping techniques—

That is, telephonic interception and bugging.

> —has led some states to enact strict prohibitions against one technique and completely overlook another. Thus, in Pennsylvania in 1957, it was made illegal for anyone to intercept a telephone communication, even for a law-enforcement purpose. The legislature ignored the use of concealed microphones, with the result that it is legal in Pennsylvania to bug a bedroom, den, or office, but illegal to intercept a telephone communication.

It seems to me that that captures the inadequacy of the hon. member's bill. While he is concerned about telephonic and telegraphic bugging he is not concerned about bugging of conference rooms or other more intimate places of meeting.

One of the more interesting things, as I have already said, was the reference made by Mr. Sargent to the very extensive use of bugging practices not only in the union field but also in industry and in other areas of Canada. Reference was made, for example, to the fact that in the automobile retail business it was not uncommon to use bugging devices to bug the conversations which may be taking place in the showrooms or in rooms adjacent to the showroom of automobile establishments. It was also established that an Arthur Murray dance studio in the province of British Columbia used a bugging device. The evidence was to the effect that it was used as a safety measure. The evidence discloses the enterprise which has been used in respect of bugging devices in the province of British Columbia. Reference is made to the fairly extensive monitoring practice carried on in jails. The hon. member referred to one type of monitoring. I would share his concern about the monitoring of telephone conversations when an accused is communicating with his counsel. However, in respect of monitoring devices in jails, to monitor the drunk tank so that the authorities may know whether there is a change in an individual's conduct which would suggest that treatment was necessary, or in respect of monitoring in maximum security institutions, I do not believe I can accept this.

However, the commissioner did refer to what he himself thought was extensive use of this type of equipment for industrial security. Unfortunately the report does not go into very much detail concerning the type of devices used or the type of situation in which they would be used. But apparently the commissioner did believe that this kind of electronic eavesdropping is used. The hon. member made reference to a situation in the city of Toronto, which I have the honour to represent. It is interesting that the Toronto Transportation Commission uses a type of television bugging device at the turnstiles of the St. George station so that they can find out who has been dropping tokens in the fare box and who has not been dropping tokens in the fare box.

Some of the comments of the commissioner and some of the comments I have made indicate that there is a wide spectrum of uses to which eavesdropping devices are put. Some of these I think would generally be recognized as being legitimate and others not. It is clear from the remarks that I have made that my reason for opposing the hon. member's bill—and this I am sure does not come with any great surprise to him—is the fact that he has not gone far enough in dealing with this kind of legal problem.

It might be interesting to have on the record some examples of the types of equipment and some indication of the scientific advance there has been in this area, as well as an indication of how subtle some of the types of equipment are. At page 30 of the commissioners's report we are given a number of examples. He pointed out that there are a great number of electronic devices now for sale and used in various situations. There is a sub-miniature FM transmitter known as the sugar lump. It is the world's smallest FM bug transmitter. It will pick up even whispers in a normal sized room. The transmission range is from 300 feet to more than one quarter mile. It can give a constant transmission for five days with a 1½ ounce battery. Then the report goes on to refer to what are called spiked mikes, which I am sure is not intended as any assault on the hon. member for Ontario (Mr. Starr). This appears at page 35 of the report as follows:

> There is another contrivance, spike mikes, that look like needles. They go into the wall of the next room—about the size of a nail. It is not pushed quite through. The monitor on it is about as big as a thumb. They are equipped with small ear phones something like a stethoscope device.

The conclusions of the commissioner are interesting. First of all, he recommends some possible changes in the civil law within the

jurisdiction of the province of British Columbia which might apply in a particular situation. He also indicates that he proposes a procedure not unlike that provided in the bill of the hon. member for Kootenay West (Mr. Herridge), Bill No. C-19. His proposal would provide certain examples which the hon. member does not have in this bill. The proposal makes reference to "the use of types of equipment which in certain circumstances could be regarded as legitimate."

• (5:50 p.m.)

I think it might be useful before our next debate on this matter, which may occur some time in 1968, if the hon. member for Winnipeg North examined this subject. I am sure we would be very interested to hear his suggested amendments to the bill, which might make it acceptable to the government, to the point where we might hail the forward advance in the law suggested by the hon. member. However, when this matter does come to a vote this evening, or at such other possible time when all hon. members have had a full opportunity to express their view on this matter, I for one will feel obliged to oppose the measure put forward by the hon. member as not going to the fullest extent possible to deal with what is becoming more of a problem every day, namely eavesdropping not just by telephone and telegraph tapping but by all these devices to which I have referred.

Mr. Orlikow: I wonder whether the hon. member would answer a question before he sits down.

Mr. Macdonald (Rosedale): I think I will have time to do so.

Mr. Orlikow: The hon. member has said that he would vote against this bill when it comes to a vote because it does not go far enough. Would he consider drafting a bill for submission at the next session which would go further than my bill, and cover all the new modern problems to which I have referred, and which I admit are not covered by this bill? If he did that I can assure him that I would be very happy to vote in favour of such a bill.

Mr. Macdonald (Rosedale): I will certainly give that suggestion consideration. I must say I am touched by the confidence implicit in the hon. member's suggestion. Probably the first step would be to wait for the omnibus Criminal Code bill which will be coming forward, to see whether this important problem will be covered. I am looking forward to the presentation of that bill and if this matter has not been dealt with I will certainly consider the suggestion seriously, and perhaps make an effort to prepare a bill in respect of this very important matter.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, it would seem that this afternoon is the afternoon for the hon. member for Winnipeg North (Mr. Orlikow) to get his lumps, although they are not exactly sugar lumps. This hon. member has said he anticipates a new section which will deal with wire tapping in the new proposed omnibus amendments to the Criminal Code to be presented soon, and that if there is no such provision in that bill he will have a great deal to say about that lack. Surely none of us can seriously expect that there will be such a provision in this omnibus bill to be presented shortly. We are not ready yet, I submit, for the introduction of such an amendment to the Criminal Code.

Let me say first that it would be only common sense to wait for the report of the royal commission on security, which has been sitting since about November of 1966. That report should be in our possession in the not too distant future. It is extremely likely that this report will make recommendations in respect of this particular subject. The Minister of Justice (Mr. Trudeau) and the government should also have the benefit of the considered view on this whole subject by the Canadian Bar Association. We have just heard from the hon. member for Rosedale (Mr. Macdonald) that this view or opinion will not be available until at least September or October of next year.

At this time there is authority in Canada for penitentiary officials to open letters either to or from inmates. There is also authorization here to search houses and other premises when a search warrant has been obtained. It would seem therefore that a parallel authorization to use electronic eavesdropping devices in certain cases should be provided. Under certain circumstances this would be in the public interest.

As pointed out by previous speakers we have at this time a variety of devices for eavesdropping such as sugar lumps and spike mikes, and other types of electronic listening

aids. We must explore this whole field in greater detail, using the best legal and technical minds available, before making any decision as to the type of legislation we require.

It may be of interest to hon. members to consider a bill relating to wire tapping which was introduced in Congress by the attorney general of the United States in 1964. The purpose of the bill is stated as one—

> —to afford a clear cut basis for the legitimate and controlled use of wire tapping by law enforcement officials.

The attorney general suggested this should be so, while expressly forbidding all other types of wire tapping.

Speaking before the Senate subcommittee on organized crime and illicit traffic in narcotics, the attorney general said:

> Section 5(b) of this bill empowers the attorney general, or an assistant attorney general specially designated by the attorney general to authorize application to a federal judge for a wiretap order.

The Acting Speaker (Mr. Tardif): Order, please. I regret to interrupt the hon. member but the hour provided for the consideration of private members business has now expired. It being six o'clock this house stands adjourned until Monday next at two thirty o'clock in the afternoon.

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

HOUSE OF COMMONS

Monday, December 18, 1967

The house met at 2.30 p.m.

RIGHT HON. HAROLD HOLT

EXPRESSIONS OF SYMPATHY ON DEATH OF AUSTRALIAN PRIME MINISTER

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure members of this house would expect me to express our feeling of shock and grief at the tragic accident that resulted in the loss of the prime minister of Australia over the week end.

Mr. Holt was a very distinguished Australian public servant over many years, culminating in his succession to Sir Robert Menzies as prime minister only a relatively short time ago. In that post he had so much to offer and so little time in which to offer it. He was a very strong supporter of the commonwealth and a very good friend of Canada. I know from talks with him that he was most anxious to deepen and develop the friendship between our two countries, both as members of the commonwealth and as Pacific powers.

Mr. Holt will be greatly missed, of course, in his own country but also outside Australia. He was a man of energy, great enthusiasm and warm natural friendliness, qualities which we associate with Australians. He was a good and valued friend of many of us, including myself. I had the privilege of welcoming him to Ottawa officially last summer, and my wife and I had the privilege and pleasure of spending a day or so with him in the country. It was only last Friday, Mr. Speaker, that I received a message from him expressing the hope that my own plans would not prevent a visit to Australia and New Zealand which I was anticipating. He said he looked forward to receiving me as host and as friend.

Our deepest and most heartfelt sympathy goes out to his devoted and courageous wife, Mrs. Holt, and to the members of the family.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to associate myself with the comments made by the right hon. Prime Minister. It is very difficult to understand this sort of thing when it happens. It is difficult to grasp that our sister commonwealth country, Australia, should lose its prime minister through such circumstances. Although Australia is a long distance from Canada I believe Canadians feel a particular cordiality and warmth to the people of Australia.

All Canadians suffered shock and a sense of loss when they heard or read about this tragic accident. I believe all the people of Canada would wish us to extend to the prime minister's family and indeed to the people of Australia our deepest sympathy on this very sad occasion.

Mr. David Lewis (York South): Mr. Speaker, I wish to associate my colleagues and myself in the expression of shock at the tragic loss of the late prime minister of Australia.

• (2:40 p.m.)

This was an unpredictable, sudden and shocking accident that took the life of the relatively young leader of a commonwealth country. We would like to join all members of this house in expressing our deepest sympathy to the people of Australia and to the wife and family of the late Mr. Holt.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, in the name of our group and following the example of those who spoke before me, I join the right hon. Prime Minister in expressing our sympathy to the family of the late prime minister of Australia.

I wish to extend our deepest sympathies to the bereaved family and I hope that they will accept these words of comfort.

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we share with hon. members of this house the sorrow expressed over the untimely death of Right Hon. Harold Holt, the late prime minister of Australia. As has been mentioned, Mr. Holt has given many years of distinguished service to his country in both domestic and external affairs. His courage and leadership will be sorely missed at this time. We in this party join in the expressions of sympathy to his country, to Mrs. Holt and the members of the family in this hour of their sorrow and loss.

External Affairs

EXTERNAL AFFAIRS

NATO—REPORTS ON MEETING OF COUNCIL

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Minister of National Defence and I have just returned from attending the first ministerial meeting of the north Atlantic alliance council to be held at the new headquarters of NATO in Brussels. It seemed to both of us that in making a report to the house it would perhaps be prudent if I were to make a report in respect of the matters which involve me as Secretary of State for External Affairs and the Minister of National Defence would make a report as well, and that if this is agreeable these would constitute the government report at this particular moment.

The speed and efficiency with which NATO was able to move to its new headquarters are a credit to the Belgian authorities and to the NATO international staff.

This was an important meeting. Indeed, I believe it may turn out to have been one of the key meetings in the history of the alliance. NATO has reappraised its essential objectives and found them still valid, agreed on a new military strategy, and established guide lines for shifting additional emphasis to its evolving political—as distinct from military—activity. The guide lines were the product of the so-called Harmel exercise. At our last meeting in Paris in 1966 the Belgian foreign minister, Mr. Harmel, recalling the initiative taken by Canada in 1964, had proposed a study of the future of the alliance. As a result of this serious reappraisal it was possible to reach a consensus among all 15 members on the objectives and future tasks of the alliance. This consensus is expressed in an annex to the communiqué, which I should be pleased to table if it is the desire of the house.

Some hon. Members: Agreed.

Mr. Martin (Essex East): The member governments have confirmed that there is a continuing need for defensive military arrangements; I wish it were otherwise, but such arrangements are required, just as the regular payment of an insurance premium. In this field the alliance must display determination and firmness.

It was also confirmed that the activities of the alliance to promote a peaceful settlement, that is its political role, have assumed greater importance and should be emphasized. Here is something which is partly new and challenging. In this field the alliance will require imagination and vision. It was affirmed that the political activities of the alliance will be all the more effective if there is full and timely consultation among the members. It was agreed that the military tasks of the alliance are not incompatible with, but rather a necessary complement to, a constructive political role for the alliance.

What does this signify for the alliance and for Canada? In the military sphere it means that as insurance against possible revived Soviet pressures in Europe, bearing in mind that Soviet military capabilities are still increasing, the alliance must maintain an effective deterrent force. For Canada, as a partner in the alliance, it means continuing to contribute, as appropriate, to the alliance's forces based in Europe and to those based in Canada.

On the political side the conclusions of the Harmel exercise mean that our habit of frank discussion among allies of the most important issues facing the alliance and the world, both collectively and individually, is to be further developed. Such consultations I believe are a powerful factor in promoting wider understanding of the issues facing the alliance, and in this way contributing to its cohesion.

The habit of co-operation and consultation in NATO fits it to perform a constructive role in many areas; balanced force reductions, arms control and disarmament measures, improvement of east-west relations, the shape and content of a European settlement and steps which may be taken toward negotiation of such a settlement.

We cannot expect instant or dramatic developments in these areas. There is much to be done, and it will be a painstaking and time consuming task to end the tensions in Europe and achieve a viable settlement. But much depends on the Russians as well as ourselves. It has been abundantly clear, for instance, that the alliance is prepared to explore mutual reductions of forces with the Soviet union and its allies as an important step toward security and stability. But there has been no indication as yet from the Russians, explicit or tacit, that they are ready to respond on this issue. But we must continue the search for agreement, and I can assure the house that Canada will be a vigorous participant in this search.

As I said at the conclusion of the ministerial meeting, NATO has confirmed and emphasized its determination to pursue what I think can be aptly described as a dynamic quest for peace. I can assure the house that the quest for peace will be as sustained and resourceful as we can make it.

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I would like to report on the meetings of the nuclear defence affairs committee and the defence planning committee which preceded the meeting of the NATO council about which my hon. colleague, the Secretary of State for External Affairs, has just spoken.

First I would like to deal with the meeting of the nuclear defence affairs committee, which was established a year ago so that all members of the alliance could participate in the formulation of advice to the NATO council on nuclear policy. This committee received progress reports on the studies of the nuclear planning group of which Canada is a member. I would be prepared to table the communiqué of the meeting of the nuclear defence affairs committee if the house so desires.

I informed my colleagues in the N.D.A.C. that for Canada the main purpose of the changing strategic concept is to avoid excessive reliance on the early use of nuclear weapons for defence against aggression. We suggested that the political aspects of the problem be studied further.

• (2:50 p.m.)

The defence planning committee, which consists of ministers of all member countries except France, reviewed the work accomplished since their previous meeting in May, 1967. All ministers strongly endorsed the view, which was later reflected in the communiqué, that one of foundations for achieving an improvement in east-west relations and a peaceful settlement in Europe must be NATO's continuing defensive strength and capability to deter aggression.

Against this background the ministers considered the following main subjects: (a) the new strategic concept; (b) NATO force plans; (c) the standing naval force, Atlantic.

The new strategy of response against aggression makes provision for a flexible and balanced range of appropriate conventional and nuclear responses to all levels of aggression or threats of aggression. The ministers approved this concept.

For the first time the ministers adopted a five year rolling force plan. The current plan covers the period from 1968 to 1972. It includes a firm commitment of forces for 1968 and an outline of national plans for the period from 1969 to 1972.

As far as Canada is concerned, we reaffirmed the continued assignment for 1968 of our forces in Germany consisting of (a) the air division; (b) the Canadian mechanized brigade group. We also confirmed the continued availability from Canada for 1968 of (a) our already earmarked naval forces; (b) two brigades retained in Canada and already earmarked for Europe.

In respect of our plans after 1968 we proposed, as forecast in the white paper of 1964, to substitute one air transportable brigade group based in Canada for the two brigades now earmarked in Canada. We also outlined in general terms proposed reductions in the air division during the next few years. During the next year we shall be forming our new CF-5 squadrons for the support of mobile command forces. In doing this we plan to utilize the trained personnel which will become available as a result of later adjustments in the air division.

Hon. members will recall that when the original decision was made to earmark for SACEUR's strategic reserve two brigades stationed in Canada, it was envisaged that it would be feasible to transport this force to Europe in time to make a significant contribution. However, as a consequence of the gradual mechanization of our brigade in Germany and the corresponding changes in Canada, it has become increasingly apparent that the sea and air lift required to transport these forces to Europe in a mechanized form would not be available in time to be effective.

During the past few years the government examined a number of proposals to overcome this problem. One of these proposals involved the stockpiling in Europe of mechanized equipment for the balance of the force. Because of the expense and the impractical aspects, this proposal was dropped. As a result of the recent review of our military commitments both in Europe and elsewhere we have concluded that another proposal, that of an air transportable force, would be more appropriate and useful. As additional air transport becomes available this force, including men and equipment, can be transported to Europe in time to make an effective contribution. It would also provide us with

forces of sufficient flexibility to meet other requirements.

The new strategy of flexible response places more emphasis on dual-capable aircraft. Our air division has both a conventional and nuclear capability and thus is well suited to carry out the requirements of this new strategic concept.

The ministers also approved the organization of a new naval force. This force involves the transformation of the NATO Matchmaker naval training squadron into the standing naval force Atlantic consisting of six to eight destroyer type ships. Hon. members will recall that Matchmaker is a training squadron consisting of a number of ships from NATO countries in the Atlantic area. The squadron has been operating for the past few years and Canada has, from time to time, contributed a ship to it.

The major difference between Matchmaker and the standing naval force is that in Matchmaker ships joined the squadron for exercises; in the standing naval force they will be assigned for a given time and will be under the operational command of a NATO commander. Being composed of ships from various countries, the force will be a further visible evidence of NATO's solidarity.

Each participating country will assign a ship to the force for a fixed period during the year. Canada agrees with the concept of the force, and we are now studying the form of Canadian participation and expect to reach a decision shortly. Participation would not involve a new commitment but rather the assignment of one of the destroyers already earmarked for SACLANT to this NATO force.

Hon. D. S. Harkness (Calgary North): I am sure, Mr. Speaker, we all join in welcoming the Secretary of State for External Affairs and the Minister of National Defence back to Canada after their week in Brussels. I believe we have obtained more information about what went on there from the newspaper accounts than the ministers gave us in their reports today. However, I think everyone who takes an interest in this matter was delighted to note that the Harmel report was accepted by all the NATO countries, including France, so the unity of NATO was maintained at this time. I believe everyone was delighted, too, that the emphasis in the Harmel report was on further steps toward a detente in Europe.

[Mr. Cadieux (Terrebonne).]

As the minister has said, and as we all agree, we hope these steps will go forward satisfactorily. The warning issued by the secretary general of NATO, Mr. Manlio Brosio in connection with the very large Soviet forces stationed in eastern Europe, the extension of their naval activities and particularly the increase in their naval strength in the Mediterranean, should be heeded because they pose a considerable threat so far as western Europe is concerned. These factors emphasize the necessity of maintaining military forces of NATO in a state of readiness so they will serve as a deterrent to any aggressive action, which is their main function.

The Minister of National Defence mentioned that a new strategy had been decided upon, but actually I feel this is not so much a new strategy as it is a reiteration or a more definite statement of a strategy which has been in effect for several years. I refer to the reliance on conventional forces, in the first instance at any rate, in the hope that their use will prevent the necessity of any nuclear attack being made or a nuclear response by either side. The five year force plan mentioned by the defence minister is to be in effect for the next five years, but he did not tell us what it is. I hope at some future time we will be able to get more details with regard to the five year force plan of NATO and particularly Canada's contribution to it.

The minister has said Canada's commitments for 1968 are unchanged, but there have been a considerable number of reports that the brigade in Europe is to be reduced by 500 men. Perhaps the minister could be more specific about that during the question period. I hope the proposed reduction in the air division has not been a unilateral decision on the part of Canada. There have been considerable rumours about a forthcoming reduction in the strength of the air division, and as I say whatever reductions are made in the coming years—there must be reductions because the aircraft are wearing out and crashing—I hope they will be made in consultation with our allies.

So far as the new destroyer force is concerned, as the minister rather indicated this seems to me to be more or less a realignment of forces already in existence. The minister did not say whether we were contributing one destroyer to this force, as has been rumoured, so I hope once more he will be in a position to give us some information.

• (3:00 p.m.)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, it is not easy to comment on this double barrelled announcement within the rules which require a brief statement; nevertheless I will try to stick to the rules. May I preface my remarks by welcoming both ministers back to the house. If they have been reading the newspapers they will have observed that however much the cold war in Europe is relaxing, the political wars in Canada seem to be heating up.

In his announcement the Secretary of State for External Affairs referred to one feature of the discussions about NATO which are certainly welcome. That is to say, the minister said its attention is henceforth to be directed to what he called constructive areas of activity, arms control and disarmament measures. We hope this is just not words but that the statement will be followed by action, because for too long NATO has taken on the appearance of nothing but a military alliance. Unless the detente in Europe is exploited by NATO, I suggest that NATO is not going to have a very long life. Therefore I hope the announcement made by the minister in connection with these matters will be followed by a form of vigorous initiative.

In regard to the remarks by the Minister of National Defence, I should like to reiterate a suggestion that has been made from time to time in questions asked by the hon. member for Vancouver East (Mr. Winch); namely, that the two ministers appear as soon as possible before a joint meeting of the external affairs and national defence committees of this house so the matters they have raised can be examined in detail by hon. members.

In so far as the statement of the minister, as far as I understand it, represents a plan of the government gradually to opt out of the air division in Europe and to concentrate upon air transportability, the minister and hon. members know this is a course of action that we in this party have been recommending for years. We are glad to see there is action at last. As far as we are concerned, Mr. Speaker, our only regret is that the action is not more decisive and vigorous than this. We do not believe there continues to be any useful role for our nuclear armed brigade in Europe. We think the Canadian contribution should be in the form of a mobile conventional force based on Canada, and we believe this fits in with what the minister said is the new approach of NATO.

We trust, Mr. Speaker, that these new approaches will be given full and quick implementation, because at this particular time in Canada's history I suggest we just cannot afford to be spending large sums of money on forms of defence that are either obsolete or no longer useful in meeting any existing threat in Europe.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, it is difficult in many respects to square the statements of the minister for external affairs with what we see. He is, as we all know, tremendously skilled at manoeuvring, but it will require more than all his adroitness to shore up NATO while at the same time attempting to make the treatment the organization has received from the French government in recent years seem a triumph rather than a disaster. We welcome the fact that the move to Brussels succeeded at all, but we should not pretend that this will have strengthened the organization or that it will function fully without the complete participation of France.

We also know, Mr. Speaker, that all this talk about disarmament is wishful thinking. The Soviet defence budget for 1968 is the greatest in its history of military expenditure. We realize that the economies of western Europe which have been lagging recently will not need any more encouragement in turning to defence production as a means of fueling those economies. This is still the best device in today's world to keep an economy going.

I suggest that one thing urgently needed, and which perhaps could be done through NATO, is a study of the effects of the economies of the world ceasing to embrace any military expenditure. The minister shows concern for military development, but I doubt that the ability of Canada to save Europe by airlifting our forces to that continent is anything more than a dream.

Rather than thinking of military development I suggest we might well think of the political moves we could make, even within NATO. Here I think of our rather ambiguous approach to Portugal and our shoring up of the Turkish-Greek dispute in Cyprus all these years while those two countries have diverted their NATO strength from its original purpose.

Mr. Speaker: Has the Minister of National Defence leave to table certain documents referred to during his speech, which have already been tabled?

Some hon. Members: Agreed.

Questions

EXCISE TAX ACT

Hon. Mitchell Sharp (Minister of Finance) moved for leave to introduce Bill No. C-191, to amend the Excise Tax Act.

Motion agreed to and bill read the first time.

EXCISE ACT

Hon. Mitchell Sharp (Minister of Finance) moved for leave to introduce Bill No. C-192, to amend the Excise Act.

Motion agreed to and bill read the first time.

INCOME TAX ACT

Hon. Mitchell Sharp (Minister of Finance) moved for leave to introduce Bill No. C-193, to amend the Income Tax Act.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REPORT ON BLOOD INDIAN RESERVE

Question No. 684—**Mr. Gundlock:**

Has there been a study of resources on the Blood reserve prepared by Doctor G. D. Spindler for the use of the Indian affairs branch and, if so (a) what is the nature of the contents of such report and any recommendations made (b) in the event that such report has been prepared, has any use been made of the same by the Indian affairs branch (c) if such a study was prepared, what was the cost?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Dr. G. D. Spindler prepared the material for chapters II and III entitled "Contemporary Blood Indian Community" and "Psychological Characteristics, Work Preferences and Values" respectively of the 22 chapter report on "The Economic Potential of the Blood Indian Reserve." (a) The full report contains an assessment of the resources of the Blood Indian Reserve, e.g. human, mineral, soils, rangeland, agriculture and suggests some methods by which these might be utilized to advantage. (b) Copies of the report were provided to the Blood band council who used it as a basis to undertake a more detailed study of matters relating to land use and economic development. A study is under way to determine the feasibility of irrigating 25,000 acres of reserve land as recommended in the report. Indian affairs branch made a financial contribution to the cost of both these studies. Branch staff are also working in close conjunction with officials of the band council, Prairie Farm Rehabilitation Act administration, and water resources branch in assessing the feasibility of irrigating some 8-9,000 acres of leasehold land. (c) The majority of the material for the report on the "Economic Potential of the Blood Indian Reserve" was prepared by federal or provincial employees. Dr. Spindler and Dr. Lok received $1,100 and $500 respectively for manuscripts written by them under contract. Preparation of maps, printing and publishing costs amounted to approximately $3,150.

[Mr. Speaker.]

SCHOOL ATTENDANCE, FORT ALEXANDER INDIAN CHILDREN

Question No. 695—**Mr. Jorgenson:**

1. Do Indian children of the Fort Alexander band attend the Powerview integrated school?

2. If so, how many children of the Fort Alexander band attended the said school during the 1966-67 term?

3. How many of the said children from the Fort Alexander band consulted prior to arrangements in the high school program for the 1966-67 term?

4. Of those enrolled in the high school program for the said term how many successfully passed the high school program?

5. Were the parents of the children of the Fort Alexander band consulted prior to arrangements being made for the said children to attend the Powerview school and, if so, what were the wishes of the majority of the said parents with respect to the choice of school to be attended by their children?

6. Were any representations made by the parents of the children of the Fort Alexander band to attend the school at Lebret and (a) if so, were the children of such parents permitted to attend Lebret, (b) if not, what was the reason for not allowing attendance at Lebret school?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Yes.

2. In 1967, 24 of the registered Indian pupils enrolled in the Powerview collegiate were members of the Fort Alexander band.

3. There were 24 pupils from the Fort Alexander band enrolled in grades 9 to 12 for the 1966-67 school year.

4. Of the 28 registered Indian pupils who wrote examinations at Powerview collegiate in the Spring of 1967, 11 passed.

5. The parents of the children of the Fort Alexander band were consulted prior to arrangements being made to include their high school students in the Powerview collegiate in 1962 and the majority expressed agreement to this proposal. This approval was ratified in January of 1966 by the band council when an

expansion of the joint agreement was suggested.

6. Three families made inquiries as to whether their children could be sent to school in Lebret. (a) The parents were informed that they could, of course, send their children to Lebret at their own expense but that the department could not sponsor such a plan. (b) The reason for this decision was that a comparable school was available in the community. Subsidiary but decisive reasons were the fact that such a transfer would mean moving the students from the curriculum of one province to that of another plus the expense of travelling and maintenance.

ATLANTIC PROVINCES POPULATION STATISTICS

Question No. 761—**Mr. MacDonald (Prince):**

1. On what date is it estimated the population of the four Atlantic provinces will reach the 2 million mark?

2. How many persons were born in the four Atlantic provinces in the years 1950 to 1966?

3. How many persons migrated into the four Atlantic provinces in the years 1950 to 1966?

4. How many persons migrated from the four Atlantic provinces in the years 1950 to 1966?

5. How many of those who migrated from the four Atlantic provinces in the years 1950 to 1966 were between the ages of 16 and 65?

6. How many persons received financial assistance in migrating from the four Atlantic provinces from 1950 to 1966, and what amount was expended?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Manpower and Immigration, National Health and Welfare and Trade and Commerce as follows: 1. Information not available.

2. See attached table.

3. Information not available.

4. Information not available.

5. Information not available.

6. The manpower mobility program, administered by the Department of Manpower and Immigration, has been in operation since the beginning of 1966. Statistics on the number of people moved and on expenditures incurred are kept separately for moves within and from each province, but not by province of destination. As many moves are to neighbouring provinces, and the Atlantic region consists of four provinces it is not possible to give data on moves from that region.

Number of live births, Atlantic provinces, 1950-1966

Year	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Total four Atlantic provinces
1950	13,164	2,885	17,262	16,393	49,704
1951	11,738	2,651	17,125	16,075	47,589
1952	12,561	2,703	17,951	16,691	49,906
1953	12,797	2,737	18,276	16,458	50,268
1954	13,653	2,724	18,909	16,649	51,935
1955	14,757	2,784	18,967	16,609	53,117
1956	14,541	2,657	19,106	16,573	52,877
1957	15,315	2,676	19,316	17,020	54,327
1958	14,815	2,581	18,898	16,414	52,708
1959	14,826	2,720	19,038	16,486	53,070
1960	15,173	2,734	19,126	16,341	53,374
1961	15,591	2,838	19,382	16,590	54,401
1962	15,064	2,805	19,432	16,467	53,768
1963	15,443	2,949	18,976	15,771	53,139
1964	14,680	2,727	18,314	15,338	51,059
1965	14,740	2,517	16,524	14,175	47,956
1966	14,084	2,199	15,220	12,722	44,225

Questions

PRESERVATION OF INDIAN ART AND CULTURE

Question No. 778—**Mr. Barnett:**

1. Has the Indian affairs branch of the Department of Indian Affairs and Northern Development a program of providing grants for the preservation and advancement of Indian art and culture?

2. If so, when was this program inaugurated?

3. How many individuals and/or organizations have received grants under any such program?

4. What are the qualifications for eligibility for any such grants?

5. How and to whom should an application for any such grant be made?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): 1. Yes.

2. Program approval was received January 19, 1965 and the program was inaugurated immediately thereafter.

3. Thirty-three.

4. Individual applicants must be Indians within the meaning of the Indian Act; the membership of organizations must include members who are Indians within the meaning of the Indian Act; the purpose for which the grant is requested must be one which is not provided for in other branch programs; The purpose must be one which will contribute to the preservations, growth and/or expression of Indian culture.

5. Applications for grants must be submitted through an office of the branch on application forms available from branch offices, band councils, and friendship centres.

RETAIL CONCESSIONS ON ARMED FORCES BASES

Question No. 810—**Mr. Ballard:**

1. How many retail food stores are operated by the Department of National Defence on Canadian forces bases in Canada?

2. How many retail food stores are operated by the Department of National Defence on its Canadian forces bases in Alberta?

3. How many retail food markets are operated on a concession basis by civilians on Canadian forces bases in the province of Alberta?

4. How many automotive service stations are operated on a concession basis by civilians on Canadian forces bases in the province of Alberta?

5. Have there been in any recent modifications to the policy governing the operation of retail concessions on Canadian forces bases, and are any proposed changes presently under discussion?

Hon. Léo Cadieux (Minister of National Defence): 1. None. Retail food stores on Canadian forces bases in Canada are operated by concessionaires or as non-public fund activities of units.

2. None.

[Miss LaMarsh.]

3. Two, CFB Cold Lake and CFB Edmonton.

4. None.

5. No. Some changes in operating procedures are under discussion.

HOUSING LOAN APPLICATIONS, PETERBOROUGH, ONT.

Question No. 823—**Mr. Brewin:**

1. Have there been any applications to the Central Mortgage and Housing Corporation from the Ontario Housing Corporation for funds for the acquisition of lands for housing purposes in the Peterborough area during the last four months?

2. If so, have any of the applications been refused and what are the details of such applications?

Hon. J. R. Nicholson (Minister of Labour): 1. No.

2. See answer to 1 above.

QUESTION PASSED AS ORDER FOR RETURN

YUKON FOREST SERVICE

Question No. 759—**Mr. Nielsen:**

1. What was the number of (a) classified, and (b) casual employees on the strength of the Yukon forest service for each of the years 1957 to 1967 inclusive?

2. For each of the said years, what was the total payroll and the total value of capital expenditures?

3. For each of the said years, how many forest fires occurred and what was the estimated value of the timber loss?

4. For each of the said years, what was the total cost of the operations of the Yukon forest service?

Return tabled.

EXTERNAL AFFAIRS

PARTICIPATION BY FRANCE IN NUCLEAR ENERGY RESEARCH IN QUEBEC

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether his attention has been directed to a report that included in one of the cultural agreements between France and Quebec there is a provision for participation by the government of France in studies and research in the domain of nuclear energy in the region of northern Quebec. Has the minister's attention been directed to a report to this effect which appeared in today's press? Can he say whether the report is correct? Can he say whether the federal government was furnished with a copy of the agreement, and whether this aspect has the approval of the federal government?

Mr. Speaker: Order, please. The hon. member knows he cannot ask whether a press report is correct. Perhaps the minister still wishes to make a statement in reply to the question.

Hon. Paul Martin (Secretary of State for External Affairs): I shall be glad to take a look at the press report and reply later.

Mr. Fulton: I beg your pardon, Mr. Speaker. What was the reply? I could not hear it.

Mr. Martin (Essex East): I shall be glad to take a look at the press report, see what it says and deal with the question tomorrow.

Hon. Marcel Lambert (Edmonton West): I have a supplementary question to direct to the Minister of Energy, Mines and Resources. Can the minister tell us whether there have been any uranium finds in the province of Quebec?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): No, I cannot, Mr. Speaker.

Mr. Lambert: A further supplementary question, Mr. Speaker. Has the minister no information on uranium discoveries in the country?

Mr. Pepin: I have no authority in the provinces in these matters. I am only responsible for the activities of Eldorado Mining and Refining Company, which is not involved in mining uranium in Quebec.

Mr. J. R. Keays (Gaspé): May I direct a further supplementary question to the Minister of Energy, Mines and Resources. Can the minister inform this house whether he is aware that official French delegations have visited the Chibougamau or Mistassini districts of Quebec?

Mr. Pepin: I shall undertake to report tomorrow, Mr. Speaker.

THE CANADIAN ECONOMY

ABOLITION OF SECRETARIAT DEALING WITH WAR ON POVERTY

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the widespread evidence that a substantial proportion of Canadians continue to live in poverty, and in view of the government's announcement that the special planning secretariat will be disbanded, would the right hon. gentleman inform the house whether alternative arrangements are being made to continue the work of the special secretariat in what was hopefully announced to be a war on poverty?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the absorption of the functions of the planning secretariat by other departments does not mean that the work the secretariat was co-ordinating will cease in any way, shape or form. We shall continue that work, I hope, in all economic and financial policies we bring forward.

Mr. Lewis: A supplementary question, Mr. Speaker. Would the right hon. gentleman inform the house now or in a day or two exactly what departments are taking over the functions of the special planning secretariat, which I understand was established especially to deal with and co-ordinate remedies with respect to poverty in Canada?

Mr. Pearson: Yes, I shall be very glad to do that, Mr. Speaker.

UNITED NATIONS

CANADIAN POSITION ON RESOLUTION BANNING ASSISTANCE TO CERTAIN COUNTRIES

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. Would the minister advise the house as to the position Canada took on the United Nations resolution to ban assistance to South Africa, Rhodesia and Portugal because of policies being followed by those countries?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, we have, of course, opposed apartheid as practised by the government of South Africa. The resolution dealing with this matter, however, contained other matters that in our judgment were not within the direct capability of the United Nations. Because of that we had to abstain, but with the general purport of the resolution we were in full accord. Likewise with regard to the discrimination that is practised in Rhodesia, we have made our position well known on this point at the United Nations and elsewhere.

CANADIAN CONSTITUTION

PREPARATION OF MATERIAL FOR FORTHCOMING CONFERENCE

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the importance of

arriving at useful and constructive conclusions at the federal-provincial conference that will be held in Ottawa at the end of next month or early in February, a conference that will deal with the constitution and other related matters, will the government take great care to ensure that material to be presented to the provincial premiers who will be attending the conference will be practical and constructive, so we can avoid the kind of conclusion which resulted from the conference which terminated so abruptly in Ottawa last Tuesday night?

Mr. Speaker: Order, please. The hon. member's question was more in the form of a speech. I think the latter part of his remarks probably out of order.

Mr. Hees: Mr. Speaker, may I assure you that I was not trying to be argumentative. I was trying to elicit some information from the Prime Minister on a most important subject. I think he wishes to answer.

Right Hon. L. B. Pearson (Prime Minister): As always, Mr. Speaker, I am grateful to my hon. friend for his advice which I know is based on deep knowledge and long experience.

Mr. Hees: May I thank the Prime Minister very much for his kind and well received remarks.

Mr. G. L. Chatterton (Esquimalt-Saanich): May I direct a supplementary question to the Prime Minister. In view of the success of the confederation for tomorrow conference, is the Prime Minister giving further consideration to holding part of the forthcoming conference in public?

Mr. Pearson: I am not sure, Mr. Speaker, that that would be the best course to follow in respect of the conference that will be held in February. This conference may be different from that which was held in Toronto, which was an exchange of views. There was no question of dealing with proposals at that conference. Nevertheless I still hope we can hold the forthcoming conference in public to the maximum possible extent.

Mr. Eric Nielsen (Yukon): A supplementary question, Mr. Speaker. Since one of the primary subjects on the agenda at the forthcoming conference will be the bill of rights, will the Prime Minister assure us that Canadians who live above the sixtieth parallel, in the two territories, will be represented at least by observers in that part of the discussion which has to do with the fundamental and basic human rights of all Canadians?

Mr. Pearson: Mr. Speaker, my hon. friend knows we shall follow the course which has proved to be the best as a result of experience in the past, the course which was followed by governments that preceded our government. I can give the assurance that when matters of direct importance to those Canadians who do not live in provinces are before the conference, they will be directly represented there.

[*Later:*]

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the right hon. Prime Minister a question relating to earlier questions concerning the forthcoming federal-provincial conference. Can he inform the house whether he has suggested to the provincial premiers, as has been reported, that they invite the leaders or representatives of opposition parties and, if not, will he in any case consider inviting the leaders or representatives of opposition parties in this house to the federal-provincial conference?

Mr. Pearson: Mr. Speaker, I certainly made no such suggestion to the provincial premiers and I would be straying outside my jurisdiction if I did so. I do not know where that report originated. As I did not make the suggestion I had better wait to see what stand they will take before we decide what we ought to do. If they invite their opposition leaders to this conference it would create a very unique and interesting situation which would have to be taken into consideration here.

FINANCE

INTERNATIONAL GOLD TRANSACTIONS TO SUPPORT DOLLAR

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): My question, Mr. Speaker, is for the Minister of Finance. In the light of the statement by United States authorities and others who are members of the gold pool, and in the light of the recent statement by the governor of the Bank of Canada, would the minister now answer that portion of my question which he took as notice on Friday and advise Canada just where we stand on this question of the gold pool and international monetary relations?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, on Friday the hon. gentleman asked me a supplementary question. I think I answered his first question by stating that we were not a member of the so called gold pool and that we have been kept informed about the operations of the pool. We have never been asked to join it, and we are interested in the outcome of present gold transactions. The second question the hon. member asked, as reported on page 5470 of *Hansard*, is:

> Does this mean that dealing in futures in the gold market will not apply in Canada as well as in the pool countries?

The governor of the Bank of Canada over the week end asked banks and financial institutions to avoid selling gold on credit and to avoid dealing in gold futures.

Mr. Lambert: A supplementary question, Mr. Speaker. Will the minister advise us whether the United States government has asked Canada to join in its action to maintain the price of gold at $35 an ounce and, indeed, to continue to shore up the dollar as the unit of international monetary exchange?

Mr. Sharp: Mr. Speaker, that question is really the equivalent of asking whether we are a member of the gold pool. The answer to that question is in the negative. We are not one of those countries that are involved in supplying gold at $35 an ounce in order to maintain this value. We are, however, very interested in the stability of the international monetary system, and we will be co-operating with the United States in an effort to maintain the present price of gold. This is in the interests of ensuring the stability of the international monetary system.

Mr. Lambert: Notwithstanding the fact that Canada is not a member of the gold pool, will the minister advise whether the United States government has asked the Canadian government to participate or assist in this action?

Mr. Sharp: Mr. Speaker, I thought I had answered that question on Friday when I said we had not been asked to join the gold pool.

REQUEST FOR CONTINUED PRODUCTION OF HALF DOLLAR AND DOLLAR COINS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Finance. Now that he has had time to give consideration to my request of last week, will he satisfy the desires of Canadians who wish to have souvenir fifty cent and dollar silver pieces, and thereby improve his public image?

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

Mr. Starr: As a supplementary question, Mr. Speaker, will the minister see to it that more fifty cent and dollar silver pieces are minted so Canadians may have them as souvenirs of centennial year?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, may I say in answer to the first question that if it would help the hon. gentleman's image I would be very glad to print his effigy on one side. As to his question about dollars and fifty cent pieces, the matter of souvenir collections of coins is still under consideration.

BUSINESS OF THE HOUSE

REQUEST FOR JOINT MEETING OF EXTERNAL AFFAIRS AND DEFENCE COMMITTEES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I direct a question to the Prime Minister. In view of the reports the House of Commons has received today from the Secretary of State for External Affairs and the Minister of National Defence on the NATO meeting in Brussels, and keeping in mind the answer given to the house last week by the Prime Minister, may I now ask whether he will see to it that there is a joint meeting of the external affairs and defence committees before the Christmas recess?

Right Hon. L. B. Pearson (Prime Minister): Of course, Mr. Speaker, as my hon. friend knows the committee chairmen have the responsibility, but I shall be very glad to take up the matter with them and assure them that the two ministers would be very happy if the committees could meet this week.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I direct a supplementary question to the right hon. Prime Minister. Was the government's decision to withdraw the Canadian nuclear strike force from NATO influenced by this party's decision, at its 1960 convention, on its NATO policy?

Mr. Speaker: Order, please.

Inquiries of the Ministry

NATIONAL DEFENCE

NATO—PROPOSED REDUCTION IN CANADIAN ARMY BRIGADE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, may I direct a question to the Minister of National Defence. Has a decision been taken to reduce the Canadian army brigade in Europe by 500 men?

Hon. Léo Cadieux (Minister of National Defence): Well, Mr. Speaker, this may be a question of vocabulary. Some redeploy; others rotate; we restructure.

Some hon. Members: Oh, oh.

Mr. Cadieux (Terrebonne): I think I could say that the aim for all is the same, that is to improve the ratio between operational and administrative forces.

Mr. Harkness: Mr. Speaker, I think the minister's week with the Secretary of State for External Affairs has not done him any good. May I ask him if in future the strength of this brigade group is to be approximately 6,000 rather than approximately 6,500?

Mr. Cadieux (Terrebonne): Approximately 6,000.

Mr. Harkness: Then if this reduction of 500 men is taking place, is it to be accomplished by doing away with one or more units in the brigade and, if not, how is it to be accomplished?

Mr. Cadieux (Terrebonne): Well, Mr. Speaker, I believe I gave my description for it; by restructuring.

Mr. Harkness: Mr. Speaker, I do not think restructuring means anything so far as we are concerned in this house. What does the minister mean by restructuring? More specifically, how is this reduction to be brought about?

Mr. Speaker: Order, please.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have an easier question for the Minister of National Defence. At the meeting of the nuclear committee of NATO at Brussels was there any discussion of Canada's plan to negotiate out of its nuclear role, a pre-election commitment made to the Canadian people by the Prime Minister over four years ago?

[Mr. Speaker.]

Mr. Cadieux (Terrebonne): Mr. Speaker, this was not actually on the agenda; therefore there was no discussion of it.

Mr. E. Nasserden (Rosthern): As a supplementary question, did Canada have anything to do with drawing up the agenda?

Mr. Cadieux (Terrebonne): No, Mr. Speaker.

AIRPORTS

VANCOUVER—PROTEST AGAINST IMPOSITION OF TOLLS ON APPROACH

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to direct to the attention of the Minister of Transport. It concerns Vancouver International Airport. What consideration is being given to the protest of the B.C. federation of labour against the proposed establishment of a toll crossing over the Fraser river, which it is argued will become a financial burden to the airport users?

Mr. Speaker: Order. I suggest that this question be placed on the order paper.

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

FREIGHT RATES

MEETING WITH RAILWAYS TO DISCUSS NEW L.C.L. RATES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, may I direct a question to the Minister of Transport. Did he as yet have an opportunity to meet with officials of the railways with regard to l.c.l. rates in the Atlantic provinces? If not, when does he propose to meet with them?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I have not yet had an opportunity to meet with them, but I have passed on to them the information following the meeting with the Atlantic premiers and the questions that arose from that meeting. The railways are now studying these various suggestions in order to decide what position they should take in respect to each of the propositions. Following that I shall be in a position to meet with them to discuss their positions and decide what further action should be taken, if any.

Mr. Coates: As a supplementary question, could the minister indicate whether he might

be able to produce a decision prior to December 25, which would be a very satisfactory Christmas present to businessmen in the Atlantic provinces?

Mr. Hellyer: I think the date is an admirable one, Mr. Speaker, but it will be determined to a considerable extent, if not totally, by the ability of the railways to come to a conclusion by that time.

TRADE

WHEAT—POSSIBLE TRANSFER OF FUNDS FOLLOWING SALE TO CHINA

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. As a result of the latest wheat sale to China will there have to be an appropriation from the federal treasury to wheat board funds?

Hon. Robert Winters (Minister of Trade and Commerce): That remains to be seen in the light of wheat sales during the crop year, Mr. Speaker.

SHIPBUILDING

PAYMENT OF SUBSIDIES ON FISHING VESSEL CONSTRUCTION

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, may I direct a question to the Minister of Fisheries. On December 5 I asked the minister what action the government was planning to assist the wooden shipbuilding industry in Nova Scotia, and he replied that it was the government's intention to continue the subsidy program. Has there been any change in the government's wooden shipbuilding subsidy program since December 5?

Hon. H.-J. Robichaud (Minister of Fisheries): No, Mr. Speaker.

Mr. Crouse: Then as a supplementary question would the minister explain his statement written to the fishermen's loan board at Halifax on December 5 and December 8 that "no further applications for subsidy—

Mr. Speaker: Order.

Mr. Crouse: —will be approved—"

Mr. Speaker: Order. The hon. member's supplementary is not in order.

Mr. Crouse: Mr. Speaker—

Mr. Speaker: Order. The hon. member asked a question. He is now asking a supplementary question, seeking to have the minister explain a statement. That is not a proper question.

Mr. Crouse: Then may I rephrase my question, Mr. Speaker. Is it the minister's intention to continue with the present wooden shipbuilding subsidy program?

Mr. Robichaud: Yes, Mr. Speaker, it is the department's intention to continue the subsidy on wooden ships, but I did write the fishermen's loan boards of Nova Scotia and of the other Atlantic provinces and Quebec, advising them that we had to review the subsidy position, due to the fact that fishing vessels had been completed and applications with respect to subsidies were sent in months after those ships had been engaging in fishing operations. We agreed at a meeting in Moncton on November 15 that all applications had to be reviewed to determine what money would be needed in supplementary subsidies to cover all applications for the current fiscal year.

Mr. Crouse: One final supplementary, Mr. Speaker. Will the minister tell the house when the subsidy program will be reinstated?

Mr. Robichaud: Mr. Speaker, there is no reason to reinstate the subsidy program. It has always been in operation, and still is.

HOUSING

MALVERN, ONT.—PROVISION OF SERVICES FOR PROPOSED SATELLITE TOWN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, may I direct a question to the Minister of Labour in his capacity as the minister reporting on housing. In view of the critical housing situation, and in view of the fact that the federal government, together with the provincial government of Ontario, has for years been the owner of a considerable tract of land at Malvern, near Toronto, which could be made available for a satellite town of 30,000 people, is the government going to contribute to the cost of services, which I understand is the main obstacle to proceeding with the plan?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am pleased to inform the hon. member that talks have been in progress for

some weeks with the Ontario housing corporation with a view to making better use of the land that was acquired by the federal-provincial partnership some years ago. On Wednesday of last week I met with the minister, some of his officials and officials of Central Mortgage and Housing Corporation. We agreed on the appointment of a community planner and a consulting engineer in order to move ahead with this project. It is a strategically located site, one which we hope will be a model for other suburban communities in the years ahead.

EDUCATION

REQUEST THAT CONTINUED PROVISION BE MADE FOR STUDENT EXCHANGE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question which I should like to direct to the right hon. Prime Minister. Is it the intention of the government to maintain, at the very least, during the coming year the level of funds available for student travel and exchange within Canada? I ask this question in view of the immeasurable value to the future of our country of the student exchange.

Mr. Speaker: I realize the importance of the matter but I suggest that this is the type of question which should be placed on the order paper.

Mr. Nesbitt: I submit with great respect, Your Honour, that this question meets both the qualifications in respect of a question during this period.

Mr. Speaker: The hon. member knows he can ask leave to debate the matter at the time of adjournment.

TRANSPORTATION

REPORT OF STUDIES ON RAIL LINE ABANDONMENT

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Transport. Can the minister inform the house when the special studies on the social and economic impact of rail line abandonment in the prairies will be made available to the public?

An hon. Member: He does not know what it is.

[Mr. Nicholson.]

Hon. Paul Hellyer (Minister of Transport): I admit I do not know what it is. I think perhaps I should take the question as notice, Mr. Speaker. However, I believe I can tell my hon. friend that the Canadian Transportation Commission will have to see quite a bit more water go under the bridge before hearings commence on this very important subject.

Mr. Dinsdale: I have a supplementary question, Mr. Speaker. Since the minister is taking this question as notice, when he reports to the house I wonder whether he will assure the house that there will be no future hearings on abandonment until these studies are available.

Mr. Hellyer: Some weeks ago, Mr. Speaker, I gave the house that assurance.

[*Later:*]

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, my question is supplementary to the one asked a few moments ago by the hon. member for Brandon-Souris of the Minister of Transport. When will the independent cost analysis report on transportation be available? More particularly, I should like to know whether it will be made available before any further hearings on rail line abandonment take place?

Mr. Hellyer: Mr. Speaker, this is part of the same question I answered some time ago when I said the commission would be holding public hearings and that further representations could be made to the commission before a costing order was made. No further hearings on rail line abandonment in western Canada having to do with the wheat trade will be held pending the hearings on the costing order.

Mr. Dinsdale: Mr. Speaker, I have a supplementary question. Can the minister assure us that the cost analysis will be free of any previous orders or preconceptions?

Mr. Hellyer: Yes, it is to be approached with a completely open mind. The conclusions that were taken previously are not to prejudice in any way the outcome of the anticipated hearings which will be held in the new year.

NATIONAL DEFENCE

PRESENCE OF RUSSIAN SHIP NEAR VANCOUVER ISLAND

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Secretary of State for

External Affairs, in the light of reports of unusual manoeuvres by a Soviet ship near the west coast of Vancouver island—manoeuvres which apparently drew the attention of two Canadian destroyers—whether he is in a position to report to the house on the significance of this event?

Hon. Paul Martin (Secretary of State for External Affairs): No, Mr. Speaker, not at the moment, but perhaps tomorrow.

Mr. Fulton: Mr. Speaker, may I ask the Minister of National Defence whether his department has any report which he is in a position to give the house in this regard?

Hon. Léo Cadieux (Minister of National Defence): Yes, Mr. Speaker. I am informed that two Canadian destroyers were dispatched last week to give assistance or guidance to a Russian hydrographic survey ship if it should enter Canadian waters. It has been the usual practice to keep under surveillance any foreign ships which might enter our waters, particularly those which have given no advance warning of their intention.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of National Defence. Does he have any information whether the Soviet hydrographic vessel, to which he referred in his earlier answer to the hon. member for Kamloops, has been involved in a program of underwater explosions in the north Pacific south of the Aleutians?

Mr. Cadieux (Terrebonne): I am sorry, Mr. Speaker, but I do not think I can go beyond the statement I made.

CANADA LABOUR CODE

INQUIRY AS TO PROCLAMATION OF LEGISLATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Labour. It relates to the Canada Labour (Safety) Code which was passed by parliament last December. Can the minister say whether this act and the regulations under it will be proclaimed before the end of this year, as the minister promised on several occasions; and will the administration of this act be brought into effect by that time?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I am very pleased to inform the hon. member that the necessary order in council has been passed proclaiming the new legislation, and it becomes effective January 1, 1968. Some regulations have been drafted, and others are in the course of being prepared.

INDUSTRIAL RELATIONS AND DISPUTES INVESTIGATION ACT

INQUIRY AS TO PROTESTS OVER AMENDING LEGISLATION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address this question to the Minister of Labour. Is he receiving protests from organized labour and/or others regarding Bill No. C-186?

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, there have been some communications received which might be regarded as protests and others which are not. These will be dealt with by the committee early in the new year, I hope.

BROADCASTING

INQUIRY AS TO FACILITIES FOR EDUCATIONAL TELEVISION

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Secretary of State concerning educational television. When the Minister of National Revenue made his recent announcement concerning federal projects which are to be eliminated or postponed he made no mention of the transmission facilities for educational television. Does the government plan to build any such facilities in 1968?

Mr. Speaker: Order. The question is of such a general nature that I do not think it should be asked at this time.

[*Later:*]

Mr. Prittie: Mr. Speaker, my question is for the Secretary of State and it is similar but not the same as one asked earlier. Has the government made a firm commitment to any province to provide transmission facilities for educational television next year?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker. As the hon. member knows, there is a draft bill to go before the committee and the committee has not begun

to deal with this matter. I suppose my colleague the President of the Treasury Board did not discuss this as a matter of dollars because there is no indication at all at this stage what proportion would be borne by the provinces or other interested groups and the federal government, or which provinces will be ready to put on enough hours of programming to make it worth while to build transmitters. It is not possible at this point, until we have seen what the committee has to say about it after it has heard witnesses and the bill has been put before the house, to ascertain how many would be required.

NORTHERN AFFAIRS

LEGISLATIVE COUNCIL RESOLUTION RESPECTING AMENDMENTS TO YUKON ACT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to direct this question to the Minister of Indian Affairs and Northern Development. In the hope that it will assist in breaching what appears to be an impasse between the Yukon legislative council and the government, will he assure the house that in addition to discussions with the territorial council in respect of any recommendations which will be contained in the forthcoming important departmental white paper, there will be discussions in respect of other matters concerning the reform of the Yukon Act which might originate with the council?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, as my hon. friend knows, the constitutional powers of the council of the Yukon Territory derive entirely from the Yukon Act. Its amendment is solely within the prerogative of parliament. I have already assured the council on a number of occasions that when the white paper is prepared we will discuss it with representatives of the council. I should not like to give any undertaking beyond that because in doing so I would be going beyond my powers.

Mr. Nielsen: Mr. Speaker, I have a supplementary question for the minister. Will he at least assure the house that he or his officials will hold discussions with representatives of the Yukon council prior to the completion of the recommendations which will appear in the white paper in order that the views of the council will be ascertained before the white paper is completed?

[Miss LaMarsh.]

Mr. Laing: I fully expect to hear the views of the Yukon council whether I ask for them or not.

FISHERIES

INQUIRY AS TO ESTABLISHMENT OF FRESH WATER FISH MARKETING BOARD

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, I have a question for the Minister of Trade and Commerce which he may wish to take as notice. Has his department now reached a position of agreement with the government of the province of Manitoba relative to the strongly voiced disagreement in respect of the marketing of fresh water fish? May I rephrase the question and simply ask the Minister of Trade and Commerce whether any areas of disagreement between the government of the province of Manitoba and the federal government have now been removed?

Mr. Speaker: Order, please. With respect, I suggest that the question is too wide in scope to be asked in this way at this time.

Mr. Schreyer: May I rephrase the question, Mr. Speaker, and ask the minister whether he can say now if the government has any intention of implementing the McIvor report on fresh water fish marketing?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, we have informed the government of Manitoba that there are areas of the report in respect of which we think we might work constructively and in harmony.

AGRICULTURE

ASSISTANCE TO PRODUCERS AFFECTED BY TARIFF REDUCTIONS

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address my question to the Minister of Agriculture. In view of the fact that the Kennedy round tariff reductions start coming into effect in less than two weeks does the minister plan to announce to the house before we adjourn on Friday any measure to ease the impact on agricultural producers who are adversely affected by these tariff reductions?

Hon. J. J. Greene (Minister of Agriculture): Mr. Speaker, I do not have any plans in this regard at the present time, but I will be very pleased to keep the suggestion of the hon. member in mind.

Mr. Hees: In view of the fact that quite a number of weeks ago the minister advised me that the department was working on this whole matter, is he saying that they have arrived at no conclusions and that he has no information to pass on to the house regarding any plan to be put forward?

Mr. Greene: Some of the effects of the Kennedy round tariff reductions will only become evident when the economic results come into play after the implementation of the tariff reductions. On the basis of the information we have today we feel there will be nothing but benefit to Canada and the Canadian agricultural community in general. In the event that certain segments of the agricultural industry suffer any harm which should be alleviated by governmental action we will certainly be pleased to consider such action as becomes necessary.

Mr. Hees: In view of the minister's answer is he sure he has been opening all his mail?

NATIONAL DEFENCE

ESTABLISHMENT OF CANADIAN ALTITUDE RECORD FOR JET AIRCRAFT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to address a question to the Minister of National Defence, but before doing so I hope he will allow me to express on my behalf and on behalf of all members of the house our congratulations to Wing Commander R. A. White, who I understand on Thursday established a Canadian altitude record for jet aircraft.

Some hon. Members: Hear, hear.

Mr. Winch: Having said that, let me now ask my question. It is my understanding, according to a press release issued by the information service of the Department of National Defence, that this altitude record was achieved with a CF-104 Super Starfighter after six months intensive work by the Department of National Defence and private agencies. Will the minister please tell us why, if the CF-104 is to be phased out through attrition, this money was spent?

Mr. Speaker: Order, please. The hon. member is making an argument now rather than asking a question.

[*Later:*]

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I would like to take this opportunity to complete the information the hon. member for Vancouver East gave the house. Wing Commander White actually flew at a height of 100,100 feet.

TRANSPORT

INTRODUCTION OF MEASURES RELATING TO MARITIMES

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, I should like to ask the right hon. Prime Minister if he can now answer the question I asked the other day as to whether legislation in respect of maritime transportation will be dealt with at a new session? I ask this because a simple yes would enable certain ambitious gentlemen to wander safely in Atlantic Canada in the four months ahead.

Right Hon. L. B. Pearson (Prime Minister): I am sorry I have not answered that question before now, Mr. Speaker, but I will certainly look into it very carefully.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to address my question to the right hon. Prime Minister. In view of the fact that after the government having answered some seven written questions today approximately 153 still remain on the order paper, will the Prime Minister prevail upon his ministers to answer as many of the simple ones as possible next Wednesday prior to the Christmas recess, especially those ministers who might be hitting the campaign trail?

Right Hon. L. B. Pearson (Prime Minister): I do not know of a single simple question on the order paper, Mr. Speaker.

RESEARCH

TRANSFER TO U.S. OF HARP PROJECT AND PERSONNEL

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask the Minister of Industry to advise the house whether the government is satisfied that the HARP project and all the personnel involved should be transferred to the United States?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, of course the government is not

satisfied that all the personnel of the HARP project should be transferred to the United States. Indeed, on a number of occasions I have expressed the hope that this will not take place and that it will be possible to find a climate for them in Canada.

Mr. Lambert: May I ask the minister whether the government through its agencies is actively co-operating in attempting to have these people remain in Canada to work on this useful research?

Mr. Drury: Yes, Mr. Speaker.

PRIME MINISTER

METHOD OF AWARDING DESIGNATION "RIGHT HONOURABLE"

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a constitutional question to the Prime Minister. I think Your Honour will realize that I am asking it now while there is time to deal with the matter involved. Will the government make the necessary arrangements so that the next Prime Minister of Canada, whoever he may be, and all future Prime Ministers can be styled as "right honourable" without having to be made members of the privy council of another country?

Mr. Speaker: Order, please. I am sure the question may be constitutional, but it does not appear to be very urgent.

PUBLIC SERVICE

MAINTENANCE OF ETHNIC PRESS DIVISION IN STATE SECRETARY'S DEPARTMENT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to ask the Secretary of State whether the ethnic press analysis branch of her department is being reduced almost by half effective March 1, 1968?

Hon. Judy V. LaMarsh (Secretary of State): Mr. Speaker, the hon. member asked me a similar question the other day. My answer is, not that I am aware, but it may be that this staff is subject to the curtailment policy announced by the treasury board. It should be appreciated that the Secretary of State's department is like no other in that it is very small with just a few agencies and a few people attached to it.

Mr. Starr: In view of the fact that this branch has been rendering valuable service, will the minister look into this matter and protest that such a small department should be curtailed?

Mr. Speaker: Order, please. The hon. member is now making a representation.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr .Speaker, I have a question for the Secretary of State for External Affairs. In view of the strategic importance of the work he has been undertaking in his position as minister, does he believe events are so well advanced that he might be spared from the international scene long enough for a brief return to domestic political life?

Hon. Paul Martin (Secretary of State for External Affairs): I doubt it, Mr. Speaker.

Mr. Speaker: Order, please.

• (3:50 p.m.)

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed, from Friday, December 15, consideration of the motion of Mr. Trudeau for the second reading of Bill No. C-187, respecting divorce.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when this debate was adjourned on Friday afternoon I was making the point that every responsible person believes that marriage should be a permanent relationship, seriously undertaken and with the full expectation of building a lifelong partnership. This is the ideal. I believe that most young couples have the idea that their union will be permanent, but the strains on marriage are very heavy today and many young couples are far from prepared to withstand those strains. Consequently, whether we like it or not there are very many marriages that fall by the wayside and many partnerships that prove not to be indissoluble.

Times have changed very greatly. When giving evidence to the committee on divorce Dr. Ollivier said that in the first 12 years after confederation parliament had enacted eight divorces, whereas in 1966 the Senate passed over 1,000 divorce resolutions. When we reflect on the fact that in 1966 people from only two provinces, Quebec and Newfoundland, were still coming to the Senate

with divorce petitions, we get some idea of the magnitude of the change. People from those two provinces alone brought to the Senate over 1,000 divorce petitions in 1966, and when we compare that with the eight divorces in all Canada which were enacted in the first 12 years after confederation we get some idea of the change.

I do not want to give the impression that there are not qualifications in this respect. In the first 12 years after confederation Canada was a very much smaller country and covered a great deal less territory than it does now. Also, the 1,000 divorce petitions in 1966 may have been many more than the number presented in a normal year from those two provinces. Nevertheless, times have changed greatly.

What is the situation today? We find that in Canada, whether we like it or not, no matter how much we may hope that all marriages will be permanent there are nearly half a million common law unions in which are not sanctioned in any way by marriage and the children of which are illegitimate. These unions have no position at all in law except in one or two very small respects. We also find there are very many couples, an undetermined number, who are held together in unhappy, strife-torn unions.

Mr. Cowan: Mr. Speaker, may I ask a question of the hon. member?

Mrs. MacInnis (Vancouver-Kingsway): Yes.

Mr. Cowan: The hon. member used the term "illegitimate children" just now. I thought she was opposed to that phrase. Why is she using it?

Mrs. MacInnis (Vancouver-Kingsway): If the hon. member would like me to talk of illegitimate parents I will be very happy to accommodate him. It is one of the easier places to accommodate him, I may say. There are very many couples who are held together in most unhappy unions or in unions from which all the respect and love that brought them together in the first place have gone. These couples are together simply because they cannot get free.

Of the many letters which I, along with other members of the house, have received I would like to read just two. They come from Vancouver, one from my constituency and one from the constituency of the Minister of Indian Affairs and Northern Development (Mr. Laing). However, they are symptomatic of the letters which come to us from all across this country. One letter reads in part as follows:

> May I tell you that for 14 years my wife and I have lived apart. There is no possibility of a reconciliation. There are no children or religious differences involved. Ours was a marriage which was unsuccessful from the outset notwithstanding we lived together on and off for 15 years.
>
> My wife is gainfully employed and is approximately 58 years of age. I am also gainfully employed and am 59 years of age.
>
> Over the years I have attempted to secure a divorce under the existing laws. My wife is not interested in divorce. She advised me on many occasions that I could live with who I liked, but she would not agree under any circumstances to a divorce.
>
> I believe I am a law-abiding citizen and of temperate and/or moderate habits. Surely the divorce laws will be amended to permit a person in my situation, and I believe there are thousands of us, to secure a proper divorce in order to attempt to live a normal life, and take a proper place in society.
>
> May I urge you to be compassionate and understanding of the many people who, through no desire of their own, entered into marriages that did not work out successfully, and yet under existing laws are powerless to have such unhappy unions dissolved.

We have an example here of a union which was simply unsuccessful, where the partners failed to develop those human relationships that would have made the marriage successful, where there appears to be very little recrimination or bitterness but there is a settled conviction on the part of the husband that there cannot be a reconciliation. The wife evidently cares very little about the marriage because she has told him he can live with whom he likes but that she will not enable him to obtain a divorce.

In my opinion this is a very good example of the many hundreds of letters which all of us have received from people who want to be free. Frankly, I consider it is immoral to compel two such people to go on living together in a relationship which certainly does not make for happiness.

Mr. Trudeau: Mr. Speaker, the hon. member realizes, of course, that this particular case could be solved by the new divorce law?

Mrs. MacInnis (Vancouver-Kingsway): Yes, indeed. I want to come to that in a moment because I realize this is just one example of many hundreds of people who have been waiting and waiting in a very law-abiding and patient way for the new divorce legislation which will give them release. In this case it will give the husband release and will provide release also for his wife, even though

apparently she does not want that release. I think much of her reluctance may stem from the fact she feels that under existing conditions it will not be recognized by the community as being a proper thing to do. The other letter is quite different. It is from a woman in my constituency who says in part:

> I am one of thousands of deserted women in this country who have no hope of obtaining my freedom while the present laws exist. No one has seen or heard of my husband since he left us three and a half years ago. Only his creditors really looked very hard, but they gave up. I cannot prove adultery although it was well known he left with a woman who took half her husband's bank account with her. However!
>
> My children are now six years and four and a half years old and lovely children. I do not attempt to meet anyone else because to me there is no point. That would probably end up in a common law relationship. This I do not desire for myself or children. But I can see why so many people are forced into this type of situation. With the problems a woman alone has to face in society, it can happen just from sheer human need.

• (4:00 p.m.)

I believe that this woman also can be helped by the new legislation, and I point out that here is a very fine type of woman indeed. Even if she could do so she does not want to expose herself to the temptations of a common law relationship because she does not want her children to grow up in such an atmosphere.

Fears have been expressed that the new legislation might tempt people to rush into divorce unduly and thus destroy the sanctity of marriage. But here we have a woman who has been waiting patiently for some years and who values the sanctity of marriage to the point that she does not wish to enter into a relationship which would violate her conception of a proper marriage because she does not wish her children to grow up under those circumstances.

I am sure that these two people and many others like them will be feeling gratitude now that the new legislation is on the point of being passed. I think we should express our appreciation to the minister in this regard. These marriages are dead and there is no hope of reviving them.

What must we do for people who find themselves in this situation at the present time? Two things can be done. We can either refuse to widen the grounds for divorce, pretend that a need for it does not exist and persist in festooning dead marriages with funeral flowers. In other words, we would go on perpetuating an immoral situation. Marriages that have failed have been called an unholy deadlock. I call them unholy wedlock. The other alternative is to do what the government is now preparing to do, to update our divorce legislation and in a measure at least clean up the hypocrisy which has surrounded the problem of broken marriages for so long.

[Mrs. MacInnis (Vancouver-Kingsway).]

Although I was not a member of the committee on divorce and consequently was not present at their deliberations, nevertheless I have learned that two concepts are embodied in the bill before us. One of them is the concept of matrimonial offences which I call the theory of crime and punishment. It consists of a number of offences, any one or a combination of which would enable people to apply for a divorce with a reasonable hope of getting it. Until now adultery has been the only ground for divorce in Canada, whereas now other grounds have been added, one of which is marriage breakdown. This is a completely new concept. Under this concept, when a marriage is dead and can be proved to be dead for a number of reasons and when the court upon suitable advice and investigation finds that a marriage is dead, a divorce may be granted on the ground of marriage breakdown. The two concepts, marriage breakdown and matrimonial offence are contained in the same piece of legislation.

Like the hon. member for Greenwood (Mr. Brewin) and other hon. members who have spoken, I would have preferred to see us do away with this patchwork quilt of various matrimonial offences and to judge marriage on the sole ground of breakdown based on the various factors which have contributed to the breakdown. I believe a marriage should be judged on the basis of whether or not a human relationship has failed beyond the possibility of reconciliation. I believe that henceforth marriage breakdown should be the sole ground for divorce in Canada. We should avoid having to go through the 30 years of experience which Britain had to go through after having combined the concepts of matrimonial offences and marriage breakdown in one piece of legislation. I believe that Britain's experience has proven to the satisfaction of the British people that it does not work. This is demonstrated by the fact at the present time that country is on the verge of introducing in parliament a new bill whereby divorce may be granted solely on grounds of marriage breakdown. Britain is going to do away with the old-fashioned patchwork quilt of crime and punishment and matrimonial offences and adopt the new

and modern idea that when a relationship has failed for a number of reasons couples should be granted their freedom and a divorce after having made all possible efforts at reconciliation.

I would have liked to see such legislation in Canada. However, Canada has a personality all her own and problems peculiar to herself. We are living in a pluralistic society and I am afraid we are not prepared to learn from the British experience or from anyone else's experience. I think that in Canada we will have to learn the hard way because our problems are not other people's problems, our history is not other people's history, and perhaps our stubbornness is of a brand peculiar to us alone.

Until now our social legislation in many fields has set a single hard line which has had to be followed by everyone regardless of whether of not it accorded with their beliefs on their conscience. Now we are discovering that in today's climate of social change it is becoming increasingly hard to enforce this type of legislation because Canadians are becoming sufficiently tolerant to realize that no one section of the population can speak for the rest of the country. I think we are making a good discovery. Last night I heard the minister speak on the Sunday night show on C.B.C. television and I was impressed with his tolerant attitude in this regard. He said that with regard to social legislation such as divorce many groups of people hold different opinions in this country. He said that in Canada, and perhaps he also included other countries, it is the business and the government to legislate for law and order so that people can live together without danger to themselves, their property or their families, and that is what legislation of this type should aim to achieve.

It is not the job of the government to legislate morality. This must be worked out by the people themselves. For too long in this country we have had one or another large group of people saying they will pass a law which must be followed and if someone does not like it, it is too bad for them They have insisted that such is the law and that it is the only way. As I said, it has become increasingly difficult and even impossible to adhere to such laws when they affect social problems. Let us consider the divorce situation and the fact that there are almost half a million common law unions in Canada. Surely this demonstrates that it is utterly impossible to enforce divorce legislation in this country based solely on the ground of adultery. It would be even more difficult to enforce legislation, if we were to try to do it, which would prohibit divorce in the belief that couples should have an indissoluble union until death.

• (4:10 p.m.)

Let us consider birth control. We are discovering that it is utterly impossible to enforce the legislation now on the statute books which makes the dissemination of birth control information a crime, as well as the provision of contraceptive devices. The most modest figures I have seen concerning the number of illegitimate babies would convince anybody that birth control legislation is a necessity. The other day I received a report from my own city of Vancouver indicating a most alarming rise in the rate of illegitimacy in that city. You only need to pick up one of the Ottawa newspapers to find a picture of little Mary or little Tim who is looking for a home. I hope it will not be too long before this province adopts legislation in line with the permissive character of the legislation in Alberta which contains the provision that illegitimate children born of parents whose faith was Catholic can go to a non-Catholic home and that Protestant children can go to a Catholic home. I think that Alberta has been showing us the course to adopt in connection with permissive legislation.

Another problem is abortion. Again, the most conservative figures I have seen for illegal abortions in this country indicate that there are between 25,000 and 75,000 illegal abortions performed every year. This figure was given by Dr. Lowe who was until recently chairman of the Ontario Medical Association committee on therapeutic abortions. This will show people that the existing hard line legislation on abortion can no longer be enforced in this country. If these figures do not indicate that, the poll taken in 1965 which showed that three out of four Canadians want us to liberalize the abortion laws should convince us.

The point I am making is that the solution for social legislation in these fields is surely not to draw harder and tighter lines and double or quadruple the number of law enforcement officers necessary to enforce this type of legislation. I believe that the real solution is permissible legislation in these fields. The committee on national health and welfare last year found that this worked when it was studying birth control. The committee discovered there were people whose consciences would not allow them to have

birth control information or contraceptive devices. However, these people recognized there was a great body of people whose consciences would allow them to have this information. We found, for the first time in my experience, that the people who did not want to use this new legislation themselves were nevertheless willing that other Canadians who would make use of such information should have it.

We hope, Mr. Speaker, that within a few days we shall see the minister introduce legislation which will change the law relating to birth control in such a way as to leave it open to the individual conscience as to the use to be made of birth control knowledge or legislation. At the same time no one would be forced to accept this knowledge or these devices if their conscience did not permit them to do so. I believe this would be a good solution for Canada. Incidentally, I would be remiss in my duty if I did not express my appreciation of the stand of the churches in these fields of social legislation. The churches have given leadership in these fields. The churches have recognized that times have changed. They have realized that if they are going to help people they must do so in a very practical way.

In connection with birth control it was most interesting that the Canadian conference of Catholic bishops came before our committee when we were discussing birth control legislation. They said that they themselves were not too interested in changing the law on birth control but they knew the present law was unenforceable and that when a law is unenforceable it is bad legislation because it brings about disrespect for the law. They gave us the green light to go ahead and make the changes for the people who want the changes and whose conscience will permit them to use the information.

It would be my hope that before we have finished the discussions on abortion now taking place we would find that every church would be prepared to go that far. A number of them have already done so. I should like to see the other churches which have not yet committed themselves or have not yet appeared before our committee make it possible for those people who so desire to have the abortion laws liberalized.

I should like to say a word now about divorce. I was pleased when I read the report of the joint committee on divorce to find these words:

> Witnesses before your committee have stressed: "That those whose religious principles are against divorce in any form should no longer be able to impose restrictions on the personal lives of those whose principles differ in this respect".
>
> This view has been unchallenged and the representatives of the churches appearing before your committee have wholeheartedly endorsed it. "The Christian church no longer has the right to force its views on a pluralistic society", declared the Baptist Federation of Canada, a view endorsed by the Catholic Women's League of Canada.

I want to quote from their brief:

> While we do not believe in divorce ourselves we cannot expect the laws of this country to be used in such a manner as to prevent those who, unlike ourselves, do not believe that marriage is monogamous and indissoluble, from acting in accordance with their own religious convictions... We would also emphasize that while we have beliefs in the matter of marriage, we do not wish to impose those beliefs on the entire Canadian society through the medium of civil law.

On this permissive basis of allowing people to use this legislation when their conscience permits and not forcing it on people whose consciences do not permit, we are prepared to accept this new divorce legislation. I should like, of course, to see it go farther. Unfortunately the minister has put it at the point where he thinks he has a Canadian consensus. As the law goes into practice I would like to see the emphasis shifted more and more from the crime and punishment matrimonial offences basis to the marriage breakdown basis. I am convinced we shall get there before too long in this country. I believe the main points we must safeguard now have to do with the children of the marriage partners. Almost equally important are measures which must be taken, probably within the provinces, to see that the cost of divorce is brought down within the means of those people who would like to use this legislation.

• (4:20 p.m.)

Before I conclude I should like to congratulate the minister on being able to get this legislation before the house at long last. I should not like to leave congratulations without referring to some of the men who helped keep alive for so many years the idea that we needed this legislation. I believe that the co-chairman of the divorce committee, Senator Roebuck, will feel that his long life has indeed been crowned by the achievement of this type of legislation. Reference was made to Senator Aseltine who got a bill through the other place which sought to widen the grounds for divorce but unfortunately died on the order paper of this chamber. I should also like to refer to the hon. members for Skeena (Mr. Howard) and Timiskaming (Mr.

Peters) who, unpopular though their efforts may have been at the time, nevertheless kept alive the need for this legislation to be brought into being so as to get divorce out of parliament and into the place where it belongs, the courts of this country.

Lastly, Mr. Speaker, I should like to refer to the person who perhaps more than anybody else started the agitation for modern divorce laws in this country. I refer to my father, the late J. S. Woodsworth, who in 1928 when there were nearly 300 divorce petitions, 95 per cent of them from Ontario, clogging up the machinery both of this house and the other place, turned himself into a single Horatius at the bridge, if you will, and as every divorce bill came up for discussion talked about it, examined it, asked about the children and made a complete and utter nuisance of himself in the interests of getting those divorce petitions out of the house and into a place where they could receive proper consideration. His final tribute was the passage of his own bill in 1928 to provide for divorce courts in Ontario.

All these and many others, Mr. Speaker, have helped over the years to achieve this legislation, and it needed the efforts of every one of them and many whom I have not mentioned. This bill is a real step forward. I hope we shall go the rest of the way before too many years have gone by and that we shall discover that this divorce legislation is not going to destroy or weaken marriage in this country. Marriage is far too important an institution for that.

I also hope this legislation will do what a number of us believe it will do, aid in building and strengthening personal responsibility on the part of individual men and women. For personal responsibility on the part of ordinary men and women, Mr. Speaker, there is no substitute.

Mr. Macdonald (Rosedale): Mr. Speaker, I wonder whether the hon. lady would permit a question?

Mrs. MacInnis (Vancouver-Kingsway): Surely.

Mr. Macdonald (Rosedale): The hon. member said in the course of her remarks that it was not appropriate for parliament to legislate, particularly in the criminal law, on matters of moral judgment. I would draw to her attention Part IV of the Criminal Code which involves a series of offences that in turn involve moral judgments—rape, incest, indecent assault. Is she saying that they should not be included in the criminal law?

Mrs. MacInnis (Vancouver-Kingsway): Mr. Speaker, I thought I was voicing the thinking of the Minister of Justice in this regard when he said that in his opinion it was not the business of the country to legislate morality. However, the minister can speak for himself.

[*Translation*]

Mr. Antonio Thomas (Maisonneuve-Rosemont): Mr. Speaker, the house now has before it a bill to reform the Divorce Act in which many people are concerned. I hardly need to add that the most concerned are precisely those involved in this dilemma, who are waiting for the house to carry out amendments and pass new legislation which will not so much facilitate obtaining a divorce but make clearer and more realistic the grounds for divorce.

Like many members, I have received briefs and opinions. I have picked among the best elements brought to my attention and I shall use the very same words and phrases, so as to avoid changing their value or meaning.

I received in my office people involved in matrimonial problems who feel that only a divorce would enable them to reorganize their lives, but the requirements of the act were in no way in accordance with their means.

Being of the Roman Catholic faith and brought up in the observance of religious principles that were taught us, it would have been difficult for me, even a few years ago, to take position on such an issue, because it was said that only the death of one of the spouses could dissolve the bond of matrimony. Today, it should not be imagined that canon law has been changed or that the oecumenic council has changed the religion, not at all. The council has mitigated the legislation, eased the standards, but has never changed anything else. On this point I take the liberty of quoting an article published in the Medicine Hat *News* and reprinted in *La Presse* on April 24 1967, and I quote:

> Increased tolerance.
>
> The Catholic bishops of Canada are to be congratulated on having withdrawn their opposition to the mitigation of civil divorce legislation in the country.
>
> The brief of the Canadian Catholic Conference on this occasion emphasizes that for the Church, the bonds of matrimony are sacred and that civil authority has no power to dissolve them. They add that Canada is a multidenominational country and that the present civil law is open to abuse.
>
> This is surely a welcome proof of increased religious tolerance in Canada. And that is the hub of the problem. No one can deny the Catholic

Church the right to have its own laws on matrimony. It is only when the Church attempts to block a bill involving both non-members and members of the Catholic Church that a conflict arises—

The bishops' brief removes one of the last obstacles to government intervention. When the sittings of the divorce committee will come to an end, the federal government will no longer have any excuse to abstain from legislating.

I feel bound today, as a legislator, to try to make my humble contribution to this debate and may God guard me from any blunder which might bring on me the anathema of the legislators of my church. Besides, the religious authorities of various provinces will be able to accept and endorse or reject the new civil law. In the meantime, it can be said that the basis of the present Divorce Act is not sound. It considers divorce as a relief granted to the innocent party, because of an offence committed by the guilty party.

Experience teaches us that only adultery which, in most provinces, is considered as an offence against the nature of marriage, constitutes grounds for divorce, and yet, adultery is only one form of offence, among others, which can cause the failure of marriage. There are many other forms of offences and their seriousness can vary considerably. Marriages have been broken up through offences other than adultery, and the present legislation tends to increase the bitterness and antagonism, because in divorce proceedings, how often is there agreement between the parties concerned. An adultery is invented and staged in connivance with the parties involved and the witnesses are paid to give evidence before the courts of what they saw and heard. To begin with, we must ensure a stricter enforcement of this condition which seems to the advantage of better-off, and give those of slender means opportunity to submit their grievances to the same courts.

I support the concept under which divorce is the legal and true recognition of the breakdown of marriage. Valid methods will then have to be developed to ascertain the failure, and a proper period of separation provided to show that the situation is lasting.

• (4:30 p.m.)

It might be necessary to consider other matrimonial offences—because they are at a negative level—such as sexual intercourse including manifestations of sadism, acts of cruelty on the person of the spouse or the children, or de facto desertion. As far as desertion is concerned, it will be necessary to consider the whole of Canada as the domicile and not the evidence of domicile from one province to the other. Besides the bill stipulates as much.

Mr. Speaker, even if I recognize that various matrimonial offences are committed, I find it difficult to admit that their simple existence constitutes grounds for the dissolution of a marriage, as the system of proceedings permits it. First of all, each major category of offences considered includes various situations which are greatly different. There is a fundamental difference between adultery committed on an impulse, as an isolated act, and a series of continuous adventures, or yet a liaison used to hurt and aggravate the spouse.

Similarly, there is a tremendous difference between blows given under provocation and maintaining a permanent attitude of anger and hostility, an attitude that can lead periodically to blows or that tortures the other spouse or the children and which manifests itself through verbal maliciousness as cruel as blows.

Experience has taught us this: when spouses discuss the causes leading their marriage to a dead-end, doubtless they throw violent accusations at each other but almost invariably they come to recognize, in some way or other, their respective share of the blame for reaching that situation. When they discuss divorce, it seems that the requirements of the law make them feel ill at ease, which leads them into presenting a cooked up version of the facts.

I think too that mental illness should be considered in the same way as physical illness and, to my mind, it is contrary to common sense and conscience to consider an illness as an offence or as grounds for divorce in itself. The presence of the spouse or children as well as the nature of the relationship between them may be one of the factors largely contributing to the recovery of the sick person. On the other hand, strained matrimonial relations may have contributed to the development of the illness.

The same applies in the case of a criminal. When a spouse must serve a sentence, even a long one, this does not involve a matrimonial offence but it involves going from a legislation and a procedure based on the matrimonial offence concept to a legislation and procedure based on the concept of matrimonial breakdown.

The hub of the problem consists in developing adequate means to prove such marriage breakdown. Proper application of the

legislation will depend mainly on the adequacy of the tests to establish the fact.

In closing, Mr. Speaker, I am asking divine providence to enlighten our leaders so as to pass just and equitable legislation for all, because all must be equal before the law.

[*English*]

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, since the house is anxious to proceed to the committee stage of the bill I shall not prolong the discussion. I merely want to say that in this measure we see an interesting example of the country having been well ahead of parliament for some years in the matter of divorce reform. As usual, parliament has reacted rather than anticipated. I think that we as a government and parliament are now meeting our responsibilities in a most serious area of social need in which the need for reform has been evident for many decades.

The committee has done its work and it is, to use a legal expression, functus. That is a pity. It is also a pity that its timetable did not permit it to hear professional and other criticisms of the actual bill. Perhaps this is an area of procedure that might be discussed at some future time when we are discussing the reform of parliament itself.

In the case of a fundamental change such as the one that is the subject matter of this bill, once the committee has completed its study and the officials have drafted the bill and the minister has presented it, it would be better if the committee had an opportunity to get professional and other views on the matter. I do not blame the minister for what has happened. Clearly, a change in the parliamentary set-up is needed. Perhaps in a few months the minister will have the opportunity to lead a government that will bring about such an interesting innovation.

Some hon. Members: Hear, hear.

Mr. Fairweather: Speaking for myself, I can think of no more distinguished person on the government side to lead such a government.

An hon. Member: Why not support him?

Mr. Fairweather: No. I will stick by my own man.

An hon. Member: Join us.

Mr. Fairweather: No, I have no interest in joining. I shall give you the files to show you what can be done.

• (4:40 p.m.)

I happen to be one of those who are convinced that there is a good deal to be said for the marriage breakdown concept. Some call it the marriage breakdown theory, but it is not a theory. In my opinion this parliament or other parliaments will some day accept that concept. I have sympathy for the minister inasmuch as he has not had the benefit of experience in this area that others in other jurisdictions have had and therefore has not seen fit to make the drastic change of incorporating the marriage breakdown concept in the bill as the sole ground for divorce. But I do want to say at this point that just because one or two members of the party of which I am glad to be a member happen to be interested in the marriage breakdown concept does not in any way say we do not view this major reform in our social legislation with a very great deal of enthusiasm and are not anxious to join in supporting the bill as its various stages are passed by parliament. I think that is pretty clear to those who sit over here. Just because we have individual views on the method of reform does not in any way detract from our very great approval for Bill C-187.

As a one-time practising lawyer I wish to say I feel that most of my brethren will find the role of conciliator, as envisioned in clause 7, really not a very good answer to the many requests of church groups and others interested in divorce reform for a meaningful attempt at marriage counselling and marriage conciliation. One hon. member has spoken about the system in Australia. I hoped something like that would be made part of this bill, but I share the view of the hon. member for Parry Sound-Muskoka (Mr. Aiken) that many lawyers, not because of any wish to circumvent the law but because of the pressure of business and the fact that they are not trained as marriage counsellors, will make the provisions of clause 7 a rather routine proceeding. This, I think, would be a pity.

However, speaking for myself I wish to say I found that when husbands and wives, or one or other of them, approached me seeking my services the marriage had long since passed the point that efforts to reconcile the differences would have been of any assistance. Although I recognize that in most instances this would be a provincial responsibility I has hoped that through a joint federal-provincial effort a more meaningful type of marriage counselling service could have been provided.

I ask you, Mr. Speaker, and other hon. members to forgive me if I make one point having to do with the jurisdiction in my own province. I asked the minister a question about this point at an earlier stage during the course of his speech. Clause 2 (e) gives a definition of court, and in New Brunswick it is given as "the trial division or branch of the supreme court of the province." In my own province a single judge sits as a judge of divorce and matrimonial causes in only one city, the capital of New Brunswick, and I have heard rumblings to the effect that despite the definition provided in this bill the responsible officials in that province will attempt to circumvent what I am sure is the clear intention of parliament by maintaining the present system.

Speaking for many people in the legal profession in New Brunswick and also speaking as a representative of the people in at least one of its constituencies, I must say I would hope very sincerely that upon the enactment of this legislation all judges of the Queen's Bench division of the province of New Brunswick, as they make their circuits, will be hearing divorce matters. It would be a very great pity if this were not the case.

I think that over the next two or three years we have to be prepared for a large increase of petitions for divorce because this legislation will seek to remedy the very serious problems that have been enunciated not only by hon. members in this debate but also by very many people and institutions who presented briefs to the parliamentary committee on divorce. But I do not think we should be alarmed. I am sure those of us who have made some study of the subject will not be alarmed by a large increase. I hope others will not be put off should this happen. I hope we will all recognize that in many instances an opportunity for relief is being given to very many people who are suffering severe hardships and handicaps as to their own status and the status of their children simply because for 100 years the law of divorce in Canada has been so pernicious. I share the views of those who anxiously look forward to the clarification of the status of so many children through the instrument of a reformed divorce law.

I know that a vast majority of members of parliament will support the bill. I know they will do so conscious of the sanctity of marriage, conscious of the need to strengthen the family as the basic unit of our society, but conscious too that there has been a very evident need for reform and that we but do our duty by responding to the initiative, taken by the divorce committee and the minister, to try to bring some relief where it has been so obviously needed for so long.

[Mr. Fairweather.]

[*Translation*]

Mr. Yves Forest (Stanstead): Mr. Speaker, the new divorce legislation has been well accepted everywhere, and rightly so, because it brings fundamental changes that have been awaited and desired for a long time by a large part of public opinion. It replaces provisions that have become old fashioned and obsolete, particularly in our present social climate.

I had the pleasure and the benefit of sitting on the joint committee of the Senate and the House of Commons to consider the whole question of divorce and of sitting on its steering committee. Whe have received a lot of very interesting briefs, particularly from various religious denominations. Under the chairmanship of Senator Roebuck, well versed in the question and gifted with a rare energy and lucidity of mind for a man of his years, and assisted by one of our most distinguished colleagues, the hon. member for High Park (Mr. Cameron), this committee sat most actively and, on June 20 last, presented a report which has certainly helped and guided the Minister of Justice (Mr. Trudeau), as he himself indicated.

As a member of a religious denomination advocating indissolubility of marriage, I was greatly interested and impressed by the logical and realistic attitude taken by the Canadian Catholic Episcopate in its brief presented before the committee. A distinction is made especially between the moral or religious order and the civil or political order. While upholding the permanence of the conjugal bond, they recognize that civil authorities, under certain conditions, have the right to make the present legislation, more flexible as requested by a great number of citizens, for the common good of the civil society.

That new attitude of the church was surely inspired by the principles of religious freedom adopted at the second Vatican council, in December 1965, when the resolution proclaiming that man is entitled to religious freedom was passed.

Since, at the religious level, our country is a clearly pluralistic community, a pluralistic society, that freedom must be guarded more closely than ever and to confuse civil and religious legislation could easily be a source of misunderstanding and uneasiness.

Besides, as pointed out by the Minister of Justice, this is an act which will allow the dissolution of the civil tie of marriage but, of course, it does force anyone to remarry if that goes against moral or religious convictions.

• (4:50 p.m.)

If, as has been suggested, civil authorities are fully entitled to legislate in divorce matters, it must be kept in mind, however, that the family is the fundamental unit of society and that it is essential to do everything possible to preserve and maintain it. Divorce should only be a measure of last resort, taken after every possible means has been used to avoid a final breakdown.

Several other religious groups have expressed the same views, as concerns education and preparation for marriage, and promoting appropriate organizations designed to reconcile spouses experiencing difficulties. Those proposals are sound and worthwhile, of course, but are not easy to implement, because of the conflict of jurisdiction in such matters, and they concern rather the civil rights of the parties involved; this is rather a provincial matter and it might be advisable for the governments to deal with this important aspect of family relations when they meet for consultations or conferences on the constitution and its amendments.

However, the bill under study has provided, in many instances, for procedures of conciliation and it grants extended powers to the courts with a view to encouraging reconciliation between the spouses who will be granted a divorce only when it is certain that a reconciliation is impossible.

I have reservations about the efficiency of some of those means, but time and practice only will allow us to judge, and the law can then be improved accordingly. The report of the joint committee and the present legislation both recognized the wish of the state to maintain marriage as the basic institution of society and as its source of stability, but for those who believe in the dissolution of a union that has become unbearable or unendurable, the grounds for divorce have been duly extended in order to eliminate mainly the well-known effects of the present situation and also offer an opportunity to legalize the situation for thousands of Canadians living now under common law marriage.

I believe also that the government was right in following the recommendations of the joint committee and in rejecting the principle of marriage breakdown as grounds for divorce, as recommended by some reports submitted to the committee and by a few committee members. This theory may seem attractive at first sight, but I think that our courts would have too much freedom, too much leeway, and we would incur the risk of having excessive or inadequate interpretations depending, of course, on the area of the country concerned, and that would surely lead to confusion, uncertainty and inconsistent court findings.

It was more prudent and more realistic, for the time being at least, to provide the courts with some guidelines, some specific orientation for granting divorce when evidence of matrimonial offences or marriage breakdown is produced, pursuant to the provisions of the legislation. As it is, our courts are not yet organized, and they lack the expert or investigative services required for the application of such a formula.

Mr. Speaker, I shall not dwell upon the grounds for divorce listed in clauses 3 and 4 of the bill. They reproduce in the main the worthwhile and logical recommendations made by the joint committee. Practice and experience will show us whether these provisions should be revised later, always, of course, subject to the rigorous and explicit condition stipulated in the law, which is that divorce will only be granted if the court decides that there is no hope of reconciliation.

Mr. Speaker, I have more serious reservations or doubts concerning corollary relief measures, in the present circumstances, particularly with regard to the division of property, alimony and the custody and care of children. With a few other members of the committee, we tried in vain to introduce amendments to alter the recommendations of the committee in this connection. However, I note with pleasure that, in the present legislation, no reference has been made to the separate maintenance of spouses and since it is a matter concerning property, it will continue to come under the provincial laws.

For the moment, and as long as the provincial authorities do not decide to establish courts to deal with family problems, as I suggested, I wonder whether, in the case of the province of Quebec especially, it would not have been advisable, to avoid any confusion and any conflict of jurisdiction, to restrict ourselves to the problem of divorce as such and follow the practice existing for years and under which parliament has never looked after matters of alimony and custody

of children which have been settled by the competent courts, most of the time by the superior court in the district where the spouses are living following an action for separation in accordance with the Civil Code. This will certainly create some ambiguous and unfortunate situations, for example, if a decision has already been made in connection with the alimony or the custody of children before the superior court and if, thereafter, an action for divorce has been lodged before the exchequer court and a party has obtained contradictory orders. Even if the orders delivered in accordance with clauses 10 and 11 of the legislation can be registered before the superior court and carried out as orders of that court, in my opinion, some practical difficulties and perhaps some detrimental delays could occur, if changes are required under the orders as a result, for example, of a change in the state or condition of the parties.

I think that this whole problem should be considered and I presume that the Minister of Justice will consult with the provincial authorities, especially on matters of procedure or rules on practices to follow.

At this time, I will merely raise another important point in the bill, that is the change in jurisdiction. Until now, citizens of Quebec and Newfoundland who wanted a divorce had to present their petition to parliament and, since 1963, to the Senate especially where, after hearing the petitions, a commissioner made reports to the Senate.

Now, these petitions will be presented to a division of the exchequer court, until the province of Quebec decides to present them to the superior court, as provided by clause 22 of the bill, where other suggestions are also made.

• (5:00 p.m.)

It is a happy amendment which should above all reduce considerably the cost of getting a divorce. That will abolish the discrimination which existed against people without much money.

That division of the exchequer court will sit at any time and anywhere in Canada. That should facilitate hearings, but since this will be, I suppose, travelling court and will be without the necessary services or machinery to discharge duties or execute its orders, I hope that this will be a temporary provision and that, following consultations with the province of Quebec or within the framework of the amendments to the constitution, if it is not possible to transfer the whole field of marriage and divorce to the provinces to maintain a perfect uniformity in the country or for other reasons, at least our provincial authorities will very shortly create real courts which will have jurisdiction over all problems concerning the family, including divorce.

These courts would be presided by judges who would have taken specialized courses in domestic relations and who would be assisted by experts such as psychiatrists, social workers, doctors, etc. Thus they could consider family problems as a whole, whereas at present these problems may have to be handled by several courts or jurisdictions, either civil or criminal, depending on whether separation, custody of children, refusal to provide alimony, etc. are involved.

This, Mr. Speaker, would be in the best interests of the family. Moreover, it would take place in an atmosphere conducive to the best possible settlement of family problems both legally and socially.

I would hope, Mr. Speaker, that there will be in the future, some agreement between the provincial authorities and the federal government in respect of jurisdiction, in order to prevent this mix-up and this confusion which make it impossible to take any concerted and planned action in this important field of human relations. Since divorce and its related problems will always be with us and be of concern to a greater number of our citizens, why not recognize this undeniable fact and, at last, make available to those who are entitled to this privilege and who wish to use it, the most complete and the best organized means to achieve this end, which, after all, Mr. Speaker, would only strengthen the very institution of marriage?

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the house and the country were presented with a variety of views on divorce at the committee hearings and I had hoped that as a result of the recommendations of that committee and the deliberations put forward the government would have had the sense to present what I would consider a better bill. As a lawyer I am appalled by some of the provisions of this bill and I will make some reference to them. I have my own views with regard to the sanctity of marriage, the preservation of family life and the purpose of this legislation, and naturally they may not coincide with the ideas of every member in the house.

I was very gravely disappointed that the government saw fit to apply the pressures of government sanction without allowing a free vote on a matter of this kind. To me the question of divorce is as important as abortion, and is as important or more important than capital punishment. Yet members are being blackjacked in this regard by party positions having to be taken. I can only say I regret that the Prime Minister (Mr. Pearson) did not, having said that members would be free to express themselves and to vote as they wished, avail himself of the opportunity to allow them to do so. This whole matter has now been made subject to limited party positions. We know very well that the whip will be used. This is a very queer way for the minister to suggest that moral views should not apply. I wonder what sort of moral eunuchs he thinks we are, that we can be bland and take other than an objective position in respect of a matter so fundamental as marriage and the dissolution of marriage.

I recognize that everyone has a right to his own opinion, and from the beginning I have felt there are many areas in which our marriage and divorce laws should be changed. I am not suggesting I am a devotee of what I think has unfortunately taken hold of some of our colleagues in this house in respect of galloping, permissive morality. Their attitude is that as long as people want to do something let them go ahead, as long as they feel they should not be married let them put their marriages asunder. I have in mind particularly some of the extensive remarks of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) I simply cannot agree with the type of morality that allows people to go ahead and get a divorce whenever they want. I think we must have a certain sense of responsibility and that there are norms to which society must conform. I would not like it to be said that we are instituting in this country a form of marriage and divorce legislation which would ultimately lead to consecutive polygamy, in other words, to something akin to the coupling of rabbits or the mating of mink.

I have seen a number of judges performing, if I may use that term advisedly, and I know their view is such that they will not decide whether a man and woman shall remain together. I know the view they will take in respect of this measure; this measure can become merely a convenient vehicle for consecutive polygamy or divorce by consent. If we go all the way with the concept of the breakdown of marriage being the main or sole ground for divorce—and this bill makes a mockery of reconciliation proceedings—then the decision will be taken by the parties themselves, because that will be the evidence put before the court. This evidence will reflect the attitude and the views of the parties, not the results of extensive investigation by the courts. There is no machinery whatsoever to provide for such investigation.

In case anyone should suggest that clause 7 imposes any degree of reconciliation machinery, let me say that this is patently wrong. The hon. member for Greenwood (Mr. Brewin) referred to what he called the farce of the "three C's" and said that the answers to the questions involved were stereotyped. I can readily visualize the affidavits of counsel pursuant to clause 7. They will indicate that the lawyer has brought to the attention of the parties those provisions regarding conciliation and that the clients have been informed of marriage counselling and guidance facilities known to the lawyer.

• (5:10 p.m.)

Let me tell the minister that as a junior counsel I did a good deal of this type of work. In addition I was a member of the board of the Edmonton family service bureau and in every case with which I was associated I asked my clients whether they had gone to that family service bureau. I said, "I will make the appointment for you." In most cases they did consult social workers or family service workers. For some that was the end of it. But many more came back because, they said, the other party would not go. All I would have to do to comply with this clause would be to put in an affidavit that I had informed the client that there was available this or that bureau and had discussed with him the possibility of a reconciliation with his spouse. All I would have to do would be to ask the client, "Would you consider reconciliation with your spouse?" That is all I would have to do; that would constitute a discussion.

Clause 8 deals with the court's inquiry. I have pointed out to the minister that in my humble estimation this procedure will be totally inadequate for true, meaningful reconciliation. Knowing the attitude of certain men on the bench who say it is not their purpose to keep a man and woman together, I say that this provision will become perfunctory and therefore meaningless in our law.

I am not saying there are no conscientious men on the bench but I know there are many who are not that conscientious with regard to these matters. Divorce has never been a palatable subject for most judges. As a matter of fact, I know a good many eminent counsel who would have been excellent judges but who told me that under no circumstances would they consider accepting an appointment to the bench because they would have to sit on divorce cases. They had no moral scruples with regard to divorce but took this position because of a personal distaste. The same thing applies with regard to lawyers who have said they would never accept an appointment to the bench, if one was offered to them, because they would have to sit on capital cases and did not want to sit in judgment on a man's life. This was their personal approach.

I want to come back to the gounds for divorce that are opened up in this bill. I point out immediately to the hon. member for Vancouver-Kingsway that the grounds for divorce as they exist today in this country are not limited to adultery. As a matter of fact, the grounds that appear in paragraphs (a) and (b) of clause 3 are applicable in most provinces where divorce is allowed. I have had experience of this in the province of Alberta. This bill has introduced the strange anomaly of a marriage offence, not as an additional ground but merely as a ground for divorce that a person has gone through a form of marriage with another, without anything further. There does not have to be any sexual relationship.

Subclauses (a) and (b) of clause 3 talk about sexual offences or sexual aberrations, and then we have the mere going through of a form of marriage without anything further, whether or not it was culpable as would be the case in order to found a charge of bigamy under the Criminal Code. We know people have been innocently involved in a second form of marriage because they thought they had the right to marry and there was not sufficient evidence to establish a charge of bigamy. In such cases there may have been nothing more than a form of marriage and yet a provision is introduced in the bill establishing this as a marital offence; one might say one of the mortal sins of married life. I say this because clause 3 really consists of, shall we say, the major offences, and in clause 4 are the additional grounds, somewhat less than those contained in clause 3 but still sufficient to establish grounds for divorce.

Then we come to the question of physical and mental cruelty. With this provision I agree, with the reservation that I trust we shall not have that burned toast concept of mental cruelty which seems sufficient for some courts to grant a divorce, or that rather odd, eccentric conduct that shall be deemed to be mental cruelty à la Hollywood or of the type on which some jurisdictions are prepared to grant divorces. I am surprised the government did not follow the example of the British act and include incurable insanity as a ground for divorce. Perhaps it can be argued that clause 9 (3) establishes insanity because it deals with separation and its continuance. This is a sort of back door approach, if I am right in what is intended to be included in the bill.

Two psychiatrists spoke to me last week and said they hoped they would be able to write to me and make representations that incurable insanity be deemed to be a ground for divorce. According to their reading of the bill this was not provided in it. The minister may be able to point out to me where I have missed it in the bill, but with the greatest respect I have not been able to find it. We then come to the additional grounds contained in clause 9 (3).

Mr. Trudeau: Insanity for how long?

Mr. Lambert: I said incurable insanity. The word "incurable" has only one meaning. If it is intended that there shall be hope of rehabilitation, I am greatly surprised at the interpretation of "hope " contained in clause 4 (1) (b) where the following words are used:

> —and there is no reasonable expectation of the respondent's rehabilitation within a reasonably foreseeable period;

We must remember that in these circumstances a divorce will probably be granted In other words, the expectation of the respondent's rehabilitation is hopeless within a reasonably foreseeable period. But when we were dealing with the death penalty and the abolition thereof the Prime Minister said there is no man who can be deemed to be hopeless for rehabilitation. These words have been used with regard to the death penalty but with respect to divorce, if a man is an alcoholic or a drug addict it does not take much to declare him hopeless, I am wondering why we must apply different standards to "hope".

• (5:20 p.m.)

Also, I find it rather incongruous to see introduced in a bill on divorce a ground for nullity which until now has presented no difficulties whatsoever. If a marriage has not been consummated it is not a marriage but merely a form of it. The jurisprudence has been in existence for generations that non-consummation is a ground for nullity. Then why introduce it into a divorce bill?

There is another aspect of the bill which I must confess I find strange and on which I would have liked to hear the opinion of the Canadian Bar Association and of some other legal authorities. I refer to domicile. Nowhere in the bill is domicile defined except by inference under clause 6 in which we are asked to accept the definition of domicile of any jurisdiction in the world, including Las Vegas, Reno and Tijuana, Mexico. Under clause 6 we are to recognize foreign decrees based on domicile as locally defined and Canadians have the right to remarry as long as the law of the jurisdiction in which the decree for divorce was granted states that the parties were domiciled there.

For example, under the law in Nevada a divorce may be granted after six week's residence there, which is equivalent to domicile. In Tijuana, Mexico, I believe it is possible to file papers for a divorce on the basis of attorning to that jurisdiction. Is that what we are prepared to accept in Canada? This provision will introduce all sorts of complications. I may be wrong and I am subject to persuasion otherwise but I would say that this bill introduces more problems than it tends to cure from a legal point of view, although not necessarily a social point of view. When it comes to the application of the law it is difficult to distinguish between legal and social effects. It will be remembered that if the bill goes through unmodified, all Canadians will be subject to what I consider to be a legal horror because of the difficulties it will introduce.

There is one provision in the bill on which I wish to commend the minister, namely, the provision for the extension of jurisdiction for divorce to courts in provinces which at the present time do not have that jurisdiction. I think this is a logical and reasonable extension. However, that is the best I can say for the bill.

On the whole I would have liked to see a much better bill brought forward, with less rush imposed on us. It is true that there were many committee hearings at which numerous witnesses and various organizations were allowed to bring forward their recommendations with regard to marriage and divorce. I would have liked more people to speak about making it more difficult to get married and about preparation for marriage. Under this legislation it will be as easy to discard a spouse as to take one, which we know is relatively easy. One could do it as easily as buying a suit and discarding it after a period of wear. I do not think, with all due respect, that this is what we should be legislating for.

I grant you, sir, that there are many situations in which appropriate amendments to our law could have been made, but I say to the government that it should have taken the precaution of putting forward its proposals for examination by judicial bodies and others who could have commented on them. This legislation will have a long lasting effect. To have a proposal imposed upon the house and to ask the house to act on it under the pressure of a pending Christmas adjournment is totally wrong. I am not at all concerned about the government's desire for speed in passing this legislation. This is a very important piece of legislation because it affects all the people in this country much more than does, for example, the Broadcasting Act or the taxation bills, and yet we are asked to rush it along. I find this to be a rather strange attitude on the part of the government.

[*Translation*]

The Acting Speaker (Mr. Rinfret): Is the house ready for the question?

If the Minister of Justice (Mr. Trudeau) speaks now, I must inform the hon. members that he will close the debate.

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, my first word is to thank the hon. members from all parties for their constructive attitude in this discussion.

From all sides valuable comments have been made on this legislation and I have felt a sincere desire by all to improve it and to achieve a truly modern and useful divorce act for our country.

At this stage I could not reply in detail to all the questions that have been brought up. I believe I shall have the opportunity to do so during consideration in committee, but I should now like to touch upon three general questions which are also the questions that cropped up most often during the comments by the various members.

The first question bears on the issues of the breakdown of marriage and reconciliation procedure. The second bears on jurisdiction of the courts, for instance, the suggestion that was brought forward several times to give jurisdiction to county courts. The third question deals with conflicting legislation, for instance, between this legislation and the Civil Code of the province of Quebec.

Mr. Speaker, I wish to say generally that all those questions can be answered by a single comment, namely that such matters give rise to very difficult problems with regard to federal-provincial relations.

Those are questions that cannot be answered without taking into account the conflicts of jurisdiction and that cannot be solved if the complexity of the federal system is overlooked. It is really a field where co-operative federalism is called for, and it is in that spirit that I, for one, have sought to improve the present Divorce Act.

I think that most proposals made for the commendable purpose of improving this bill implied some degree of provincial action, because almost all the solutions suggested concerned, either directly or indirectly, fields coming under provincial jurisdiction.

The government was faced with this dilemma: Should it wait several years before amending the Divorce Act, years which would be spent usefully negotiating with the provinces toward the setting up of a new system of courts, perhaps family courts as was suggested, which would have wide powers to act in the field of reconciliation? Should it still wait a long time to solve the very real problems of conflicting rights which this bill poses, and then perhaps, one, two or three years later introduce a bill, after rather complex negotiations, because they are related to constitutional matters, and members know that the constitution is not now an easy matter? Should the government wait for one year or perhaps several years to produce a bill closer to perfection, or should it act as soon as possible and attempt to introduce the best possible bill under our jurisdiction and let negotiations continue, as I have repeatedly indicated, at federal-provincial meetings, and undertake direct negotiations later which would eventually lead to improving the law?

We, on this side of the house, have decided in favour of a procedure which the hon. member for Edmonton West (Mr. Lambert) considers perhaps a little too precipitous, a little too hurried, and which is certainly liberal rather than conservative with regard to the time factor.

In our opinion, the legislation we have prepared is quite within the jurisdiction of the federal government; we have gone as far as possible, and I suggest to the hon. members that they examine the bill and criticize it in that light.

• (5:30 p.m.)

[*English*]

The point I said I should like to deal with in a little bit of detail before going into greater detail when we reach the committee stage is the point of marriage breakdown. This concept or theory is a very progressive one and one to which I have not so much of a philosophical or moral objection but one in which I see real difficulties of a legal or constitutional order. Let me deal first with a matter of substance. I should say first, Mr. Speaker, that we have dealt with the marriage breakdown concept in a certain form. The bill itself speaks of breakdown and this is more than lip service. We are introducing the breakdown concept as one which is supplementary or additional to the concept of offences. This is a completely new approach in our law, of course.

As I say, it is not mere lip service and what we are attempting to do is to spell out the conditions under which the courts may or shall find there has been breakdown. When I listened to those members who objected to our approach discussing this problem it seemed to me that they always came back, in one way or another, to the type of legislation we have here. They would say that they favoured the breakdown approach, nothing more and nothing less. However, when called upon to spell it out in a little bit of detail they always indicated legislation giving the factors of the breakdown, giving some guidance to the court. For instance, I should like to refer to page 5484 of *Hansard* where I find the report of the eloquent speech made by the hon. member for Peace River (Mr. Baldwin). He referred to a private bill introduced in the United Kingdom, not by the government, which has not yet reached any stage of implementation. He made a fairly good summary of the provisions of the bill and then said:

> There will henceforth be only one ground for divorce in Britain—proof that "the marriage has irretrievably broken down". This will be deemed to have happened:
>
> (a) If the parties have ceased to cohabit for two years—

We have this in our law but we have set it at three years. It may be too much and perhaps the period should be shorter. This is

a matter for discussion. We are now talking about the theoretical concept of breakdown and giving guidance to the courts. The bill the hon. member mentioned is a proposal which has not even reached the stage of legislation and is no improvement on ours. Once again, it is a question of time. We have three periods in our bill. We have the one year concept for non-consummation, we have two years for certain circumstances of imprisonment and we have three years for normal separation. We even have five years when there is desertion by the petitioner. These periods can be discussed and changed, but certainly the concept has been established in our bill.

The next ground is:

(b) If the couple have ceased to cohabit for five years, even though one does not want divorce—

This is exactly our five year test in the case of desertion. Then, ground (c) reads:

(c) If there is conduct which a husband or wife cannot be reasonably expected to endure, or adultery which either cannot after reflection forgive.

What is the great difference between this proposal in this revolutionary bill and ours? What is conduct which one party cannot endure or adultery which either cannot after reflection forgive? We have the adultery test. We have forgiveness in the sense there is a possibility of condonation. In so far as conduct which could not reasonably be expected to be endured is concerned, I cannot say what is meant. Surely our provision covering cruelty would, in most cases, cover this. I say that even those who propound their abstract theories, when they are called upon to spell out what they mean, in most cases adopt this type of answer.

Another illustration will be found at page 5500 of *Hansard* where a question asked by the hon. member for Greenwood (Mr. Brewin) of the hon. member for Broadview (Mr. Gilbert) is recorded. The hon. member for Broadview was indicating a certain preference at that point for the concept of divorce which is included in our bill. The question reads as follows:

Does he not see you could still have breakdown which would require separation for three years, if that was the sole reason for the action; but if there was the so-called outrageous conduct you could then say the marriage had broken down in a period less than three years.

Well, this is our test. If there were no reconciliation and if there were such outrageous conduct, then you could say the marriage had broken down in a period of less than three years. Here again the phrase "outrageous conduct" is wide. What does it mean? This is a test the courts will have to meet one way or another. I am not convinced that even those who want to talk about the substance of this procedure are talking about anything very different, if I am to judge from these examples, from what we are doing.

• (5:40 p.m.)

Procedure is something else again. The breakdown of marriage concept which has been espoused from many quarters presupposes a complete change in our conception of courts and justice. I should like to read a few brief quotations in this connection, and I refer first to the excellent report of the special joint committee on divorce, page 116. I am not going to read as much as I would like, but this matter is dealt with very clearly in this passage:

The novelty of the marriage breakdown theory does not lie simply in the grounds it proposes for dissolutions of marriage, but also in the procedure that would be required to effect the system. Indeed, it is not the essential validity of the theory that seems to merit the most careful inspection at this stage, but the practical consequences that would flow from it, were it to be adopted.

The existing system for the trial of divorce cases based upon the adversary method, the traditional practice of our courts, whereby the judge is the arbiter between two contending parties, would have to be changed. The procedure would have to be that of an inquest or inquiry into the state of the marriage, if the marriage breakdown system were to work. The parties would not provide all the evidence and the court might have to seek out and introduce evidence of its own.

According to this quotation, Mr. Speaker, I think you would need to have a different concept of what is a court. Also required would be experts trained in social services and family matters to give evidence. This would involve questions such as the children of the marriage, how they would be cared for, what was the pre-existing situation, problems of delinquency and so on.

This gets back to the difficulty I referred to at the outset of my remarks, that we are embarking on certain areas that are under provincial jurisdiction. I suggest we would have to negotiate for some time with the provinces before being successful in setting up this type of court. As I have said, we took the attitude that we should act now and do the most we can under our present jurisdiction. We will improve the law as time goes on but we cannot refuse the obvious remedy of divorce in those cases that will be embraced under the terms of the bill as presently framed.

I should also like to cite a short extract from a report presented to the British parliament by the lord chancellor in November 1966, command paper 3123. I refer to the conclusions of the report, which are to be found at page 54 and sum up a very long argument set forth in the command paper:

The proposals of the Archbishop's Group on Divorce made in "Putting Asunder"—

This was the proposal of marriage breakdown.

—though they are to be welcomed for their rejection of exclusive reliance on matrimonial offence, are procedurally impracticable. They propose that there should be but one comprehensive ground for divorce—breakdown of the marriage—the court being required to satisfy itself by means of a thorough inquest into the marriage that it has failed irretrievably. It would not be feasible, even if it were desirable, to undertake such an inquest in every divorce case because of the time this would take and the costs involved.

Once again, Mr. Speaker, this is a mere summary of the argument. I cannot deal with it in detail though it has been excellently presented in the report. However, a few lines that appear on page 32 spell out the argument that is here summed up:

If the inquest was to become a genuine one—

I should like the hon. members who are so keen on the marriage breakdown concept to realize this point.

—preliminary enquiries by trained personnel would have to be undertaken and the actual hearing would have to take much longer than at present. Moreover, it seems to us that public opinion would be unlikely to regard it as an improvement if in every case the whole matrimonial history were ventilated in public. In effect, this would be to introduce into every divorce case the distressing features of defended divorces which at present constitute only about 7 per cent of the total. The Archbishop's Group appear to face this prospect with an equanimity that we cannot share. If our divorce laws are to be made more humane, it seems to us that the undefended divorce affords a better model than the dilatory, expensive and distressing defended divorce.

Mr. Brewin: May I put a question to the minister at this point?

Mr. Trudeau: Of course.

Mr. Brewin: In his discussions of this matter has the minister considered the fact that the objection raised by the law commission in Great Britain to the necessity for an inquest in all cases on the law of breakdown would be met by a provision that after a period of separation, say three years or whatever it may be, there would then be a prima facie presumption of breakdown? If the law were to provide for this, the necessity for an inquest or inquiry would be confined to those cases where there was some other ground that properly deserved investigation. Has the minister considered that point? If he reads the report of the law commission carefully he may find the suggestion that I am making to him.

Mr. Trudeau: Mr. Speaker, that is exactly the type of point that I made a moment ago. By putting this three year test into the breakdown concept you are destroying the purity of the breakdown concept. We are making provision in the bill for evidence to be given to the courts which is indicative of breakdown. We are also avoiding the necessity for an inquest by giving the courts in some cases three years before finally settling the matter. Under clause 4 (1) (e) we are providing for a three-year test.

Under the proposition advanced by the hon. member the purity of the breakdown concept is destroyed, and, as I shall show in a moment by reference to the Archbishop's report, this is not desirable. The hon. member is suggesting a shortcut which is contrary to the spirit of those who support the breakdown concept. However, if he will be patient for a moment I should like to read an excerpt from "Putting Asunder" which expresses this argument exactly.

I also wanted to refer to a quotation from the London *Times* of May 8, 1967 where there is a fairly enlightening quotation from Lord Gardiner, but in view of the time factor I shall not read it. It is very much to the same effect, namely that the difficulty of marriage breakdown is procedural in nature. It is not the concept itself. It is the impossibility of writing it into our system of law as it presently exists. I should like to pass on to a few short quotations from the report entitled "Putting Asunder" prepared by a group appointed by the Archbishop of Canterbury in January, 1964. Those who are familiar with this report will realize that the marriage breakdown concept meets with the same difficulty in the United Kingdom as I am outlining now. This report contains a number of recommendations respecting the divorce courts, recommendations which are regarded as so necessary, and here I quote from page 76, "that we could not continue to support the principle of breakdown if they were not implemented in substance."

• (5:50 p.m.)

What are those recommendations, Mr. Speaker, which would have to be implemented and which, if not implemented, would

prevent the breakdown concept from being accepted? Quoting once again from page 76 of the report one finds the following:

(c) that the accusatorial procedure should be replaced by procedure appropriate to inquiry into the condition of marriage relationships;

(d) that means should be devised to ensure that all relevant information and conditions would be brought to the court's notice;

(e) that steps should be taken without delay to enlist the officers the court would need.

The report then goes on to point out that an uncontested case could, on occasion, call for greater care and judicial skill than a case which was contested.

There is another part of this report to which I wish to refer, Mr. Speaker. I refer to appendix C, the second part of which consists of an essay written by Mr. Quentin Edwards, a barrister at law and one of the members of the group that was appointed by the Archbishop. The conclusions of Mr. Quentin Edwards which are expressed at the bottom of page 135 and on the following pages are that the whole constitution and procedure of the high court under existing statutes and rules create reasonable doubt whether the high court could, if the substantive law were changed as recommended, satisfy the requirements prescribed as necessary to administer the new law. His conclusions, as set out on page 136 of the report, are that serious consideration might well be given to establishing an entirely new system of courts.

There can, I think, be little doubt that the wholesale adoption of the marriage breakdown concept as advocated in the report "Putting Asunder" would necessarily require the creation of new matrimonial courts that would administer the new laws after a form and procedure quite different from our existing judicial institutions across this country. It would be necessary, for example, to have welfare officers, social workers and other officials attached to such courts to administer effectively the marriage breakdown concept. I think it would also be necessary to have the judges of these courts specially trained in the field of matrimonial relations so that they would have a proper understanding of the dynamics of marriage and the causes of breakdown. The report is, for this reason, more visionary than real.

The appendix also sets out types of difficulties that we are not presently able to solve at the federal level of government under the constitution. In this instance, particularly, we were faced with this dilemma. Should we hold up divorce reform for X number of years until we have written a new constitution and perhaps given the provinces jurisdiction over marriage and divorce problems or should we perhaps attempt with the provinces to deal with this matter which, remotely, or not remotely, so far as the administration of justice is concerned, comes under the federal government's jurisdiction? In the face of this dilemma we answered that we must act now under our jurisdiction and that we could not wait until the whole judicial system was reformed in order to satisfy those who, for very good, theoretical reasons, prefer the breakdown concept.

My argument is very much the same with respect to the reconciliation procedures contained in the bill. Admittedly, those procedures are not as far reaching and as thorough as many good meaning people would like to see. Personally I also regard reconciliation procedures as being most important. I can only say that I think we have gone as far as we can under this law. That is to say, we have gone as far as we can without embarking on a prolonged and involved process of federal-provincial consultation.

In saying that we adopted the procedure of acting now I want to add that I am not trying to minimize the importance of federal-provincial consultations. I, for one, would have preferred those consultations to have taken place 10 or 15 years ago or sooner. We would then have a system of courts—call them family courts, integrated family, marriage and divorce courts, or what you will—in which to apply the pure marriage breakdown theory. The fact is that we do not have these types of courts now. They would need to be set up, and that step can only be taken after long consultation with the provinces. I thought it preferable, and perhaps more in keeping with the will of the nation, to proceed with divorce reform as quickly as we could without, of course, neglecting any very important factors.

Mr. Bell (Carleton): Would the minister permit a question? Would he say whether, since this bill has been introduced and distributed, he has received any representations from any of the attorneys general of the provinces or other representations on behalf of provincial governments?

Mr. Trudeau: We have sent copies of the bill to each deputy attorney general. So far as I know we have not had any representations from them yet. I have had certain representations from members of the courts

in the provinces. They have been very helpful and indicated to me ways in which the law could be applied with the greatest possible success. That is important to us. As I said in my speech at the resolution stage, we intend to carry on a great deal of consultation at the governmental level and at the level of the chief justices to implement many of the provisions of the law.

Mr. Bell (Carleton): Will the minister reveal the nature of these representations to us before the bill is finally proceeded with?

Mr. Trudeau: I have no objection in principle, of course, to revealing them. I am suggesting that perhaps I will not have received a great number of representations by then. I hope that the bill will be passed fairly soon. I do not think it is very realistic to hope that before the bill is adopted I will have got very far with such representations. May I call it six o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Rinfret): Order, please. It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for New Westminster (Mr. Mather), Unemployment Insurance—inquiry as to inclusion of hospital employees; the hon. member for Carleton (Mr. Bell), Public Service—request for reconsideration of increase refusal; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—pensions of retired civil servants.

An hon. Member: A doubleheader.

• (6:00 p.m.)

[*Translation*]

The Acting Speaker (Mr. Rinfret): Order. It being six o'clock, the house will now proceed to private members' business as listed on today's order paper, namely, notices of motions.

[*English*]

CANADIAN CULTURE

PROPOSED ESTABLISHMENT OF COUNCIL TO ENCOURAGE DEVELOPMENT OF NATIONHOOD

On the order: Private Members' Notices of Motions

May 9—Mr. Alkenbrack—That, in the opinion of this house, the government should give immediate consideration to the advisability of establishing a Canadian cultural council to encourage the development of nationhood, recognizing the existence of our cultural plurality.

Mr. McCleave: Mr. Speaker, in the absence of my seatmate I wonder whether somebody on the government side would be good enough to request that this motion stand so that it may hold its pride of place.

Mr. McNulty: Mr. Speaker, it is my understanding from the hon. member who proposed the motion that he does not want it stood.

The Acting Speaker (Mr. Rinfret): Is it now considered by the house that this motion is dropped?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

SHIPBUILDING

SUGGESTED RETURN TO ADEQUATE SUBSIDIES, REGIONAL TENDERING, ETC.

Mr. H. Russell MacEwan (Pictou) moved:

That, in the opinion of this house, the government should give immediate consideration to a return to adequate shipbuilding subsidies, and regional tendering and allocation of new construction, overhaul and repair.

He said: Mr. Speaker, first may I say it is a pleasure to take part in private members' hour. When a private member places one of these motions on the order paper he, of course, takes his chance on when it will be called, and I am glad that after some period of time the important matter with which my motion deals has now come before the house. If I may speak politically for a moment I wish to say that embodied in this motion is a resolution adopted by the Atlantic provinces Conservative candidates at a meeting in the city of Moncton, New Brunswick, and one which is most important to the Atlantic area.

I intend to divide my remarks into three sections, the first dealing with the matter of steel trawler construction in the Atlantic area. The building subsidies for steel fishing trawlers and other commercial ships were introduced in a policy brought forward by the previous government when the former hon. member for Trois-Rivières was minister of transport. These subsidies have meant a lot to Canadian shipyards.

I recall going to the Canadian Maritime Commission, which is now part of the Canadian Transport Commission, and speaking with its chairman, Alex Watson, a man of

Scotch descent and naturally very durable, who had worked hard to have the subsidy scheme introduced and adopted by the previous government. For ordinary commercial vessels 40 per cent was the amount set as the percentage to be paid by the federal government and for steel fishing trawlers the amount was 50 per cent.

This program accomplished two things. It assisted our Canadian fishery companies to get up to date equipment in the form of new trawlers so that they could compete with foreign fishery trawlers off our coasts. Second and of no less importance, it provided the means whereby our shipbuilding yards could compete with foreign shipyards. Prior to its introduction our fishing companies, in most if not in all cases, bought their vessels from European shipyards where, because of the assistance given those yards by their respective governments, they could get their trawlers at a lower price than they would have had to pay in Canada.

As has been widely reported and commented upon, on the night of December 7 the President of the Treasury Board (Mr. Benson) made the following announcement:

> The 50 per cent subsidy now provided for the construction of steel hull fishing trawlers will be reduced to 35 per cent, effective tonight.

I wish to emphasize the suddenness with which this cut was made. I have looked into this matter and I am advised that a number of fishing companies were in the midst of negotiations with shipyards to have new vessels built when this announcement was made on December 7 and that the announcement may well mean the negotiations will end without any settlement, causing a terrific loss to the shipyards.

As reported in the New Glasgow *News* of December 11, one of the executives of Jerry Nickerson and Sons Ltd. stated:

> The 15 per cent decrease in subsidy has given us two choices—build abroad or not build at all.

The Nova Scotia deputy minister of fisheries, Brian Meagher, was reported in the same newspaper as saying:

> —an average 150 foot trawler costs approximately $1,000,000, of which 50 per cent has been paid by subsidy. Its annual catch is valued between $250,000-$300,000 and it gives employment to 100 men ashore and 15-19 men afloat.

From this it will be seen that the construction of trawlers means not only work for our shipyards but also work for those engaged in our fisheries. The effect of the minister's announcement was too sudden.

I think that debate on the motion I have proposed comes at an opportune time, and I would urge the government to reconsider the matter of subsidies on the construction of steel fishing trawlers. Not only should the applications for subsidy now in the hands of the Department of Industry be considered, but there should have been a date set warning the shipyards and fishing companies that were engaged in negotiations when the subsidy was to be cut.

I wish to quote now part of an editorial which appeared in the Halifax *Chronicle-Herald* of December 14:

> Perhaps the reduction—
>
> The reduction in subsidies.
>
> —is designed to show people in landlocked parts of the country that the maritimes have not escaped Mr. Benson's axe entirely. If retained for a prolonged period, however, it might have a most harmful effect on shipbuilding in the Atlantic provinces, which has already been hit by a slump in orders for both steel and wooden fishing vessels.
>
> There is a danger that once demand for new construction and the replacement of existing vessels begins to pick up, the reduced subsidy will persuade fleet owners to look elsewhere for their vessels. Modern steel trawlers, suited to northwest Atlantic fishing operations, are being built in quantity in various countries. There are numbers of ways in which Nova Scotia and other Canadian buyers can obtain easy credit terms for these foreign-built ships.
>
> It would be a serious matter for Canadian shipyards if foreign builders obtained a substantial toehold in this way. The price would be ridiculous: a meaningless federal bow to fiscal prudence.

In the first budget introduced by the present government the then minister of finance, the hon. member for Davenport (Mr. Gordon), pointed out the number of millions of dollars which had gone into this project. It is money which I think was well spent. The subsidy was 40 per cent for ordinary commercial construction but now it has been cut to 25 per cent and will remain at that level until May 31, 1969. After May 31, 1969, it will be reduced still further by 2 per cent a year until it reaches 17 per cent. As a result construction of this type of vessel will decrease.

• (6:10 p.m.)

Part of my motion, Mr. Speaker, deals with regional tendering. I believe there should be regional tendering, but the government has adopted a policy of national tendering. I remember the time a few years ago when tenders were called for the first coastguard vessels. I recall that the low bidders were two St. Lawrence river yards. The lowest bidder in the Atlantic area at that time—and this shows that regional tendering could

help—was a shipyard in my own constituency, Ferguson Industries Limited. I went to the minister of fisheries at that time, the hon. member for Trois-Rivières, and put forward a proposition to assist employment in Canada. I proposed that two of the contracts should go to the St. Lawrence river yards and the third should go to the yard in my constituency since it was the lowest of the Atlantic area bidders. I can think also of the case of the ferry plying between Portugal Cove and Bell Island, Newfoundland, the *John Guy*. Regional tendering was permitted in this case and as a result the shipyard in my constituency obtained the contract. This system gives not only the major yards but particularly the smaller yards an opportunity to tender and thereby keep the shipyards employed.

Certainly in my area and most areas during the last few years there has been very little naval repair work given out in the form of contracts because the number of ships has been cut down. In my own area, with the exception of one or two very small contracts in amounts under $25,000 nothing has been done in that regard in the last three years. I believe that naval work could be allocated to these yards. I am not sure whether this practice is carried on now, but the Department of Defence Production had a system whereby they would put a ship into a shipyard and if the management could do a good job and finish the contract before a designated time a bonus was given based on a bonus system. I believe this was a good thing.

I do not wish to take up too much time because I believe other members wish to speak on this matter. The most important point is that there should be a return to the subsidies. As I say, I hope the government will look into the matter of returning to the former subsidies in respect of the construction of steel fishing trawlers. If we do not return to the former system. I am afraid, as pointed out by the executive of Jerry Nickerson and Sons Ltd., that the ships either will be built abroad or not at all. If they are built abroad it will mean that foreign companies will be building our ships and will have their foot in the door. This will be fatal to our shipyards.

Shipyards are necessary not only in peacetime but also in wartime. We must keep them active in peacetime in order to provide the necessary work and employment and so that in the event of war they will be ready to deal with matters of national concern. We do not want to be left without our shipyards. I think the shipbuilding subsidies program is what has helped put our shipyards on their feet. A decrease in the subsidy or the taking away of the subsidy would have the reverse effect. I should like to refer again to the article which appeared in the *Chronicle-Herald* of December 14:

> It would be a serious matter for Canadian shipyards if foreign builders obtained a substantial toehold in this way. The price would be ridiculous: a meaningless federal bow to fiscal prudence.

The Minister of Fisheries (Mr. Robichaud), in answering a question I asked the other day, pointed out that the amounts which had been paid out were $24 million for steel vessels and over $6 million for wooden vessels for the fisheries. All I can say is that I hope this resolution will come to a vote and pass and that the government will give consideration to the meaningless cuts they have brought about. If money was spent it was money well spent.

Mr. D. W. Groos (Victoria (B.C.)): Mr. Speaker, one of the great advantages of private members' hour is that it provides an opportunity for us to air our opinions on matters of concern to our ridings. I think there are very few members in the house who are more concerned about shipbuilding than myself. Like my colleague and friend from Pictou I have in my riding, as it is now constituted, some shipbuilding facilities. There are two major shipyards, one large H.M.C. *Dockyard* at Esquimalt, and one medium size shipyard which specializes in building certain types of craft. Unfortunately, one of the major shipyards is in the process of scrapping its shipbuilding facilities. It is remaining in the steel fabricating part of the business. This is a result of the present state of affairs in the country.

I think one of the troubles in Canada at the moment is that while we have a government ship procurement policy and hand in hand with it have a shipbuilding subsidy program, we do not have a maritime shipping policy. It seems to me that the two should in fact go hand in hand if we wish to be honest and sincere about this whole matter. There does not seem to me to be any point in building ships purely for the sake of providing employment. This costs money in very large quantities and there may be better ways to provide employment.

In Canada with our population I do not think we can keep a large shipbuilding industry going on government contracts and subsidies alone. I believe we must become

competitive in world markets. We must build for the world. I think we can do that. We did at one time have a massive shipbuilding industry. Our achievement in wartime was simply magnificent. I wonder how many hon. members realize how stupendous it was. For example, I do not think there is a member in the house who is not aware of the fact that the Clyde river and Clydebank in Scotland are a huge shipbuilding area. In the port of Vancouver during world war II a larger tonnage of shipbuilding was turned out than was turned out in the whole of the Clyde river area. That is a remarkable achievement. Of course, with the peacetime cut-backs construction has diminished so that at the moment on the west coast, for example, we have remaining two large shipbuilding facilities and various shipbuilding organizations of a smaller nature.

As I said, we do not have a national shipbuilding policy. We have a policy of ship procurement which to my mind is on trial. The present situation is that the government, for the first time, has lumped together all its shipbuilding requirements whether they be for the Department of National Defence or for another government department. They have stated what their requirements are to be. They have forecast these over a period of years and have given this information to the shipbuilding industry across Canada so that these yards now know that when times are tough and they need extra work they can sharpen their pencils and become really competitive.

• (6:20 p.m.)

I went along and do go along with this government policy and I think we must at least try it out to see if it will work. There have been many signs that we can compete on the west coast, in spite of our higher wage rates, with shipbuilding yards on the east coast of Canada. I do not have the figures in this regard at my fingertips but I will come back to this point later. In the United States the situation is different. As I said earlier, we should not only have a ship procurement but a maritime shipping policy. They do have one in the United States and I think it is called the Jones Act. Their declaration of policy reads in this way and I quote from subsection 1101:

> It is necessary for the national defence and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States, in so far as may be practicable, and (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel.

It goes on to state:

> It is declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

That is what the Jones Act says. The policy is clear, concise and desirable, but I think experience has shown that it is also expensive. I could read a few more provisions which have been developed over the years as they have gained experience. For instance, they have a construction differential subsidy. It is one of the things that followed the establishment of a national maritime policy. This subsection reads:

> Any citizen of the United States may make application to the federal maritime board for a construction differential subsidy to aid in the construction of a new vessel to be used in the foreign commerce of the United States. No such application shall be approved by the board unless it determines that (1) the plans and specifications call for a new vessel which will meet the requirements of the foreign commerce of the United States, will aid in the promotion and development of such commerce and be suitable for use by the United States for national defence or military purposes in time of war or national emergency;—

It then states that the board must also determine that:

> —the applicant possesses the ability, the experience, financial resources, and other qualifications necessary to enable it to operate and maintain the proposed new vessel, and (3) the granting of the aid applied for is reasonably calculated to replace worn out or obsolete tonnage with new and modern ships, or otherwise to carry out effectively the purposes and policy of this chapter.

I will not go farther with that point, but they have a maritime policy from which flows the requirement for a construction subsidy. There is also the important fact that if you are going to have a maritime policy and build ships you ought to have the facilities for building the ships. In the next paragraph it is stated:

> The federal maritime board shall submit the plans and specifications for the proposed vessel to the navy department for examination thereof and suggestions for such changes therein as may be deemed necessary or proper in order that such vessel shall be suitable for economic and speedy conversion into a naval or military auxiliary, or otherwise suitable for the use of the United States government in time of war or national emergency.

In order to make the policy economical it then goes on to say:

All licensed officers of vessels documented under the laws of the United States, as now required by law, shall be citizens of the United States, native born or completely naturalized; and upon each departure from the United States of a cargo vessel in respect of which a construction or operating subsidy has been granted all of the crew (crew including all employees of the ship) shall be citizens of the United States, native born or completely naturalized.

I am trying to show how complicated this matter becomes. It then says, and this will be of help to hon. members who were talking about this before—you will be happy to hear that I seem to have lost my place.

Some hon. Members: Hear, hear.

Mr. Groos: To make this an economically viable operation the act states:

Any officer or employee of the United States travelling on official business . . . shall travel and transport his personal effects on ships registered under the laws of the United States—

It then goes on to state:

Whenever the United States shall procure, contract for, or otherwise obtain for its own account, or shall furnish to or for the account of any foreign nation without provision for reimbursement, any equipment, materials, or commodities, within or without the United States, or shall advance funds or credits or guarantee the convertibility of foreign currencies in connection with the furnishing of such equipment, materials, or commodities, the appropriate agency or agencies shall take such steps as may be necessary and practicable to assure that at least 50 per centum of the gross tonnage of such equipment, materials or commodities . . . shall be transported on privately owned United States flag commercial vessels—

I read this to show that the problem in respect of providing subsidies to the shipbuilding industry in Canada is not simple. To spare hon. members on all sides of the house I have only read parts of the law. I have here an extract from a Seattle newspaper which gives a fairly good idea of how this policy is working in the United States. The article refers to how the Jones Act applies to people in Alaska and it states:

Rightly or wrongly, many Alaskans see those laws—"Jones" or "inter-coastal"—whatever you prefer—as slowing the northland's development because they in effect limit competition and raise the cost of shipping.

As they stand now, those laws outlaw shipping of U.S. goods between two U.S. ports in a foreign vessel. A vessel qualifies as "foreign" if it wasn't built in a U.S. shipyard.

Later it states:

Alaska just recently put on the heat in the U.S. Congress to permit the shipment of goods on Canadian ferries en route from here to Alaska but the measure was defeated.

[Mr. Groos.]

The coastal shipping laws, as far as the rest of the economy here is concerned, have done their work too well. For one thing costs are higher on the U.S. vessels. Put those two facts together and it practically meant the death knell for the regions water-borne shipment of lumber to the U.S. east coast.

Let me point out this fact, however, still quoting from this article:

• (6:30 p.m.)

Lumber from British Columbia, however, has all but taken that market away from our region's producers. During the month of October, for instance, British Columbia sent 64.8 million board feet of lumber to the east coast via ship; Washington—

Another lumber state.

—7 million; Oregon, 11.3 million.

The difference doesn't turn on the quality of our lumber or the price here.

That is one example. You lose trade when you try to confine the shipment or your own materials to your own ships. I think another example that we all remember is the United States wheat sales last year to China. Because of the requirement by the government of that country that half of those wheat sales would have to be shipped in American bottoms, the cost of the wheat to the Chinese was increased so that they were no longer agreeable to buying it from the United States. The United States suffered; we were the ones who benefited.

This notice of motion calls for adequate shipbuilding subsidies. I think this is a little vague. I am not too sure what "adequate" means. I would have preferred the language to be a little more definite. How is our present system working? Some rather interesting figures came to light only yesterday. I refer to a press release issued by the Department of Defence Production, dated December 12, which says:

Shortly after 3.00 p.m. today, proposals for the construction and outfitting of the four helicopter-carrying destroyers (d.d.h. 280 class) were opened publicly by officials of the Department of Defence Production with the results as indicated in Appendix A.

Appendix A shows that for the lead yards two firms, Davie Shipbuilding Ltd. and Marine Industries Ltd., bid on the construction of the lead ship and one other. The indicated price for Davie is just over $24 million and for Marine Industries it is about $20.5 million.

For the follow-up yards, two more ships, Marine Industries came up with a bid of just about $18.5 million, Davie Shipbuilding came

up with a bid of $22.5 million, Halifax Shipyards, that is Dosco, came up with a bid of just under $35 million and Burrard Dry Dock, in North Vancouver, came up with a bid of just over $49 million. This looks pretty bad for the west coast, but what it suggests to me is not that regional tendering is the answer but, as I am beginning to suspect, that the method of tendering needs looking into. There cannot be a spread of $31 million between the east coast and the west coast in respect of bids for identical ships.

On the west coast we have a wage differential of 70 cents an hour, or about a dollar an hour with fringe benefits; but the difference in wages is not $31 million. To my mind there is something wrong with the way those tenders were worded. There must have been too many vaguely worded clauses in the tenders which allowed for different interpretations between the east coast and the west coast, and the interpretation given on the west coast called for a far more expensive construction. I shall be very interested to see what is the final cost of these ships when construction is completed.

I am just about finished, Mr. Speaker. I want to see a shipbuilidng and repair facility kept on both coasts of Canada. If we are to be a maritime nation we must not only build ships but repair them on both coasts. I think there are ways of doing this other than by means of direct subsidy. I believe the shipyards have shown commendable activity and skill in diversifying and becoming steel fabricators, and in imaginative ship construction projects. They have developed in my own area some very highly skilled procedures in the building of offshore oil drilling rigs. I want to see this sort of activity continued.

I think there is a very large field for Canada contributing through external aid in the building of shipping; and shipping, of course, involves not just ships and offshore oil-drilling rigs but all sorts of other types of steel fabricating. I see that my time is just about up, Mr. Speaker. I wish to deal at another time with a scheme I have of trying to develop in Canada, using our external aid program, a school of harbour development by means of which we can use our shipbuilding facilities and talents as part of the contribution to our external aid program. However, as I say, I will do that at another time.

Mr. Robert McCleave (Halifax): Mr. Speaker, I had not been asked about this before, but I will now advise the Chair that I am seconding the resolution proposed by the hon. member for Pictou (Mr. MacEwan). Since he has made the points forcibly and well, I do not intend to make a long contribution to this debate. I also know that several other hon. members would like to make their points.

I will certainly try to keep more on course than the distinguished hon. member for Victoria, B.C. (Mr. Groos). I know in his naval career, when he was at the helm of some of the mightiest and most expensive pieces of armament that this country produced, he would not have gone off on quite the same tangent as he has this evening, with regard to certain developments that really deal more with shipping policy than with shipbuilding subsidies, regional tendering and the allocation of ship construction, overhaul and repair.

It seems to me that the policy being adopted by the government is one that will put shipbuilding activity at a new level and force it to seek its own level in this country; and I am afraid that level will be below sea-level. The other day the hon. member for Queens-Lunenburg (Mr. Crouse), in one of the most impressive questions I have ever heard since coming to this chamber, pointed out very quickly that there had been a devaluation of the British pound to the extent of some 15 per cent, and an additional 15 per cent cut in the subsidy on steel-helmed fishing trawlers from 50 per cent to 35 per cent, so that in effect there is being heaped on this Canadian industry an additional 30 per cent in cost above that which existed before Wilson's devaluation, and the Benson abattoir treatment of government spending.

Some hon. Members: Hear, hear.

Mr. McCleave: A 30 per cent difference represents a drastically changed picture indeed and something that, as the hon. member for Pictou has pointed out, the *Chronicle-Herald* dealt with in a good editorial on Thursday, December 14. It is true that there has been a temporary slowdown in the demand for new construction and replacement of existing vessels, but that will not always be so. Given those two conditions, it is quite likely that the fishing interests will turn their attention to other places.

• (6:40 p.m.)

In the constituency represented by my colleague and myself we have the Halifax Shipyards. We have been told in discussions with officials of Halifax Shipyards—and this is also a matter of public record—that they

consider the fishing industry to be the greatest source of work for these yards. As most people who know the Halifax area will realize, the shipyards lie alongside the dockyard and alongside what is left of the Royal Canadian Navy, and yet these officials told us that the shipyard potential is in the fishing industry, and not in naval construction or naval refits. So instead of being able to take steps to offset the effects of the devaluation of the British pound and to adjust to that situation, we have taken steps which go hand in hand with the devaluation, but to the detriment of Canadian industry. We were met with various suggestions, that the work should be done on tender call, and the like. However, let us ask ourselves: if we have ever set up this type of industry on an economic basis in this country. I suggest we did not because if we had done so the yards on the St. Lawrence river and those on the west and east coasts would never have been asked to tender on the D.D.P. program. Perhaps the tenders would have gone overseas, or around the world to places where these ships can be built on a much lower wage scale and at a much lower price than in Canada.

So we have to admit that our defence contracts are partly used as an economic development weapon. Once we admit this, we must also admit that the various regions in Canada must be treated equitably. We have the west coast, where obviously the wage differential in comparison with the Atlantic and east coast yards puts them out of the picture. Then there is the St. Lawrence river, where another set of economic conditions prevails; and finally there is Atlantic Canada, the area I serve, where still other economic factors are at work. So if we grant that defence spending is a necessary economic weapon in the hands of Canadians, then perforce we must grant that it cannot be applied in the way in which the government is presently applying it, a policy with regard to which my hon. friend for Pictou (Mr. MacEwan) is seeking an answer. I think it is an important point.

I should like to say in conclusion, because I did promise to speak briefly, that it is difficult to understand how on earth there can be national tendering systems all across Canada for every last thing that government departments need, when there is no national transportation policy in this country. Firm after firm from the Halifax area has written to me complaining that when the D.D.P. tenders were called they could not attempt to put any in because the vicious l.c.l. rates

increased their prices so much that competition simply became impossible. I make this point because the Atlantic resolutions, to which my hon. friend referred, will be brought up again after the next election to save the day for the hard pressed Atlantic industry.

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I wish to deal with a couple of points with regard to the motion before the house which deals with the building of vessels in general, and fishing vessels in particular. A remark was made by the hon. member for Pictou (Mr. MacEwan) which perhaps should be challenged, that is that the reduction of subsidies for shipyards was made suddenly and that they were not prepared for it. I am given to understand by the government that the shipyards were warned a year ago of the impending reductions. They were informed that no subsidies would be granted under the existing rates for work that could not be completed within two years. So apparently they were aware of the impending reductions in the subsidy.

I believe it would be useful to give the house an idea of the size of the subsidy and what it has meant to the industry. For example, $24 million will be paid for steel hulls this year, and the Department of Fisheries, under its wooden ship construction program, will put out another $6½ million, which makes a total of $30½ million in subsidies granted to the shipyards for both steel and wooden hulls in the course of the current year. This subsidy has been granted for a number of years, and in the course of its history it has proved the capability of yards to turn out ships. Surely the capability of yards on both the east and the west coast must have improved as a result of the number of ships built under the subsidy. I think one of the direct benefits to the Canadian shipbuilding industry has been the fact that the subsidy has enabled them to improve their capital equipment and to build up a capability for meeting the very kind of competition for which it was designed.

Bearing this in mind, I think we should look at the money that we as the government have put out in subsidies, and ask ourselves just how we propose to handle this. Does a subsidy have to be continued indefinitely, and must it be repeated year after year, or is it possible that the government can put out money, as it has in shipbuilding programs, to encourage shipbuilding yards to improve their capability and meet their competition,

and finally to reduce the amount of subsidy and turn government funds to some other purposes?

Mr. Crouse: Would the hon. member permit a question? Would he care to tell the house to what better purpose these funds could be put than assisting the shipbuilding industry, which would automatically assist the electric, the steam, the heating and the steel industries in Canada, as well as all the varied industries which make up the very fabric of this nation?

Mr. Deachman: I do not think it is a case of determining to what better use money could be put. One way of dealing with the matter would be simply not too levy the tax. If it is possible with less subsidy to enable the shipbuilding industry to stand on its own feet, then surely as legislators we should strive for a position in which the ship building industry could operate on a smaller subsidy per hull, if it is possible to reduce the amount of subsidy granted to the industry. When the hon. member asks to what better purpose the money could be put, I say it might be turned back to the people to be used at their own discretion. We are often told by hon. members on the other side that we overspend. Perhaps money granted to this industry has now served its pupose to encourage the shipbuilding industry to a point where it can meet some competition.

I am glad to see in the house this afternoon the hon. member for Queens-Lunenburg (Mr. Crouse) because when he and I served together on the fisheries committee it was he who raised the question of the *Golden Scarab*, a Canadian subsidized vessel which was built in Canadian shipyards and which I am sure the government, in providing money for the building of that and similar ships, expected would ship in Canadian waters, hire Canadian crews, come back to Canadian docks and send its fish to Canadian markets, thus benefiting the economy of Canada. But as he explained so well to the committee, this was not what happened. Indeed the *Golden Scarab* disappeared from the Canadian scene. It fished in foreign waters, took on foreign crews and landed its catch in foreign ports for processing. This vessel therefore was literally lost to the Canadian economy after it had been built here.

• (6:50 p.m.)

We recommended, and my hon. friend was a party to that recommendation, that the Canadian government should tighten up the policing of subsidies of this kind, and that there should be in the subsidy more than merely the provision of funds to assist in the building of a hull. We should make sure that the hull will remain useful to the Canadian economy beyond the date of its launching. This motion suggests that the government should give immediate consideration to a return to adequate shipbuilding subsidies. I think one of the things we should make sure about is that the funds we provide do not simply build hulls, but that those hulls continue to perform a useful service to the Canadian economy.

It is not only in connection with the building of fishing vessels that such situations crop up, but they occur everywhere in connection with vessel construction under the Canadian subsidy system. I have in my hand a copy of the Appropriations Act, which includes the regulations in respect of capital subsidies for the construction of commercial fishing vessels. The definition of shipowner is a citizen of Canada, a company incorporated in Canada or Her Majesty in the right of any province in Canada. Under this definition, then, any foreign company which wants to take advantage of this Canadian subsidy can come to Canada and incorporate itself or gain control of a Canadian company already established. Such a company could then use the dollars which are obtained by virtue of the subsidy as leverage for acquiring an interest in a Canadian shipping company.

We had one famous example of this on the west coast. A locally owned tugboat company became owned by a United States company from New York. The United States company then provided the funds necessary for the building of vessels under the subsidy. The vessels were built in Canada and the Canadian government paid for the building of these vessels for this United States owned company. These vessels then went into competition on the Georgia strait with vessels of Canadian owned companies operating in those waters. These Canadian funds, raised from Canadian taxpayers, were made available to a United States company through the device of the subsidy, and were used as leverage to acquire an interest in a Canadian firm. The vessels were used in competition with those owned by Canadian companies.

I believe we should consider very carefully this aspect of the question of shipbuilding subsidies. I have raised this issue before in the House of Commons, and I raise it again

tonight because I really believe that the funds are not being put to the best use. In the case of the *Golden Scarab*, these funds were used to build a ship which sailed off into foreign waters. In the second case, the funds were used as leverage by a foreign company to acquire a Canadian company and to go into competition against Canadian companies. I believe these subsidies should be made available to Canadian firms, and they should not be capable of being used as leverage by companies from other countries.

I could give other examples. There are many barges operating in the Georgia strait carrying wood chips and paper. More and more these barges have come to be built and operated by the pulp and paper companies on the west coast. At one time they were operated by locally owned shipping firms which operated up and down the strait. However, the availability of these subsidies has meant that pulp and paper companies owned and operated in the United States have found it profitable to use this Canadian subsidy to build barges for use in that area.

So I ask, does anyone in this house really feel we are putting this money to good use when it is being used as leverage funds for the purpose of assisting United States based pulp and paper companies operating in Canada? I feel this resolution should have added to it some clause which would enable us to look into these aspects of subsidies, as well as the other questions which have been raised by hon. members opposite.

Mr. Speaker: Order. The hour appointed for the consideration of private members business has now expired. The house will resume the business interrupted at six o'clock.

At seven o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed consideration of the motion of Mr. Trudeau for the second reading of Bill No. C-187, respecting divorce.

Mr. Trudeau: Mr. Speaker, I believe I was winding up my argument as to why we dealt with breakdown and reconciliation in the way we did, instead of trying to satisfy, shall I say, the theoretically pure concept of breakdown for which some hon. members have been pushing. I just want to wind up by spelling out in a little detail the kind of procedural change that would be required by the introduction of a concept which made several eminent British spokesmen declare—and this was referred to by the joint committee of the Senate and House of Commons on divorce—would be foreign to British law, and therefore I take it would also be foreign to Canadian law.

It is not so much the word "inquisitorial" that is distasteful; it is the practical difficulty of giving over to administrative boards or tribunals a type of decision which under our concept we give to the courts as part of the rule of law. A thorough application of this breakdown concept would really mean that we would authorize some kind of board or administrative tribunal—I am not quite sure what kind it would be; hon. members who spoke on the breakdown concept did not detail what they envisaged—which would have absolute or quasi-absolute discretion to inquire into all aspects of a marriage, and then reach a decision on standards which are the board's own and which were not tested by any text of law. Any decision of an administrative board could be appealed, only with great difficulty, because it would really mean substituting one administrative discretion for another.

Frankly, Mr. Speaker, I think it is closer to our concept of the rule of law for judicial tribunals or courts to apply the law, as we see it, and not for boards to inquire or pry into the very intimate aspects of the lives of the parties to a divorce suit. I think this law is a good one in the sense that the facts presented to the court spell out what is the state of marriage breakdown, and the court must accept those facts.

For all these reasons, Mr. Speaker, I feel that the procedure adopted in this bill is the best one. As I indicated earlier, it is the only one we could implement now without going through the very long procedure of reforming our judicial system.

In conclusion, Mr. Speaker, I should like to inform hon. members that I am not opposed to any particular reform. Some hon. members have stated that eventually the government will come in a few years—some hon. members said in ten years—to accept this concept. I agree with that statement quite readily, Mr. Speaker, first of all because it means we will still be in office in ten years—

Some hon. Members: Oh, oh.

Mr. Trudeau: I realize that was not the intent of the remark. Second, and less facetiously, I hope that over a period of years the application of this law will be studied by members of all parties. Certainly both the government and the Department of Justice will study its application, and if we can work toward the kind of tribunal referred to, I think, by the hon. member for Stanstead (Mr. Forest) and establish a court that will look into various other aspects of family life, then this is only to be desired. However, until we reach that stage I submit that we had to move on divorce as we have.

Mr. McCleave: Would the hon. gentleman permit a question just before he leaves that particular point. Would he not agree with the feasibility of setting up a continuing study of this matter with the attorneys general and, say, the chief justices, who hold annual sessions now, to the end of exploring divorce reform on a continuous basis? We have had rather a large lump of it now, but perhaps the matter could be considered on a continuous basis hereafter.

Mr. Trudeau: Mr. Speaker, this is an excellent suggestion. I was going to say this later, but I welcome the opportunity to say it now. There are going to be meetings of provincial government officials and of chief justices which will be called to enable them to look into the aspects mentioned by the hon. member, and I hope these meetings will be taking place very soon. This is the reason that the last clause of the bill provides that three months will have to elapse before the legislation can be implemented.

As we get to the clause by clause study of the bill, Mr. Speaker, hon. members will realize, if they have not done so already, that many rules of procedure will have to be worked out. There will even be some conflicts of law which we hope to solve before the bill is put into operation. The meetings suggested by the hon. member are a very important part of the application of this bill. At these meetings we hope to study the various aspects that have been raised in the correspondence to which the hon. member for Carleton (Mr. Bell) referred earlier this day, and of which I expect we will be hearing more.

• (8:10 p.m.)

The second point I wish to deal with, Mr. Speaker, has to do with the county courts. Much has been said in this house about the need to have this legislation applied by county courts rather than by superior or supreme courts, as is the case under this bill. I meet this objection by quoting once again from page 77 of the report "Putting Asunder":

> For those reasons we—

"We" being the authors of this report,

> —cannot approve bringing uncontested cases into the jurisdiction of the county courts. We find ourselves in agreement, as did the Morton commission and the Denning committee, with the words of the Gorell commission of 1912.

Then follows a quote from the Gorell commission:

> —the gravity of divorce and other matrimonial cases, affecting as they do the family life, the status of the parties, the interests of their children, and the interest of the State in the moral and social well-being of its citizens, makes it desirable to provide, if possible, that, even for the poorest persons, these cases should be determined by the superior courts of the country assisted by the attendance of the bar, which we regard as of high importance in divorce and matrimonial cases, both in the interests of the parties and in the public interest.

That is the end of the quotation from the Gorell commission. I continue quoting from page 78 of "Putting Asunder".

> We also fear that transfer of divorce jurisdiction to the county courts could have the effect of impeding more radical reforms that eventually might be seen to be desirable.

The point here is that, traditionally, the superior or high courts have always been regarded as having jurisdiction in matrimonial cases. The principles which are contained in the new divorce bill change many of the laws which have been applied by many of our courts for many years. There are in excess of 80 county and district courts in Canada, a substantial majority of them being in Ontario. There are none in the territories or in the province of Quebec. Incidentally, the province of Quebec does not have county courts. All Quebec judges are judges of the superior courts and as such fulfil the role of county judges. Therefore in Quebec and in the territories, the kind of objection that has been raised does not apply.

It might be appropriate to indicate that each provincial legislature, if it so desires, can provide that county court judges shall act as local judges of the supreme court. Each province, if it so desires, could meet the objection which has been raised as to distance or as to the unattainability of superior courts. Each province must decide this matter in the light of its own problems as they arise in the administration of justice for that province.

Mr. Bell (Carleton): Would that not involve a reference and a report back, thus greatly increasing costs for litigants?

Mr. Speaker: Order, please. Before the minister answers I must advise the house that the minister's time has expired. Has he leave to continue?

Some hon. Members: Agreed.

Mr. Bell (Carleton): Mr. Speaker, with great respect I think the minister is making a most important statement and I am sure the house will give him leave to continue.

Mr. Speaker: Has the minister leave to continue?

Some hon. Members: Agreed.

Mr. Trudeau: I thank the house for permitting me to continue. I have as much interest as hon. members have in getting on with this matter. I shall answer the hon. member's question briefly. The matter would not necessarily have to proceed in the way the hon. member for Carleton indicates. It would suffice that provincial legislation itself may decide that particular county court judges may hear divorce cases. The hon. member shakes his head. I refer him to the decision of the supreme court. It is Attorney General of British Columbia *v.* Lloyd G. Mackenzie, Q.C., 1965 Supreme Court Reports, page 490. That decision said that a county court could sit as a divorce court.

It happens that in Ontario, provincial legislation enables county court judges to sit, in connection with certain matters, as local judges of the high court.

Mr. Bell (Carleton): That would be, surely, on a reference and report. Those two steps are most important. There must first be a reference, then a report. These, in each case, involve additional costs for the individuals involved.

Mr. Trudeau: That type of procedural question would have to be ironed out and it would be settled differently in different provinces. It could be settled in the way the hon. member indicates, but it need not necessarily be done that way.

I was arguing, Mr. Speaker, that the supreme court or high court is the natural court to render decisions in these types of matters. It seemed unwise to change our procedures radically. It seemed unwise to change the functions of courts at the same time as the substantive law is being changed.

[Mr. Trudeau.]

In addition, to confer jurisdiction on the county courts would necessarily involve the inclusion of some principle that would enable a selection among those courts to be made. I am simply suggesting that that would be another factor that would have to be considered.

The hon. member raised the question of costs. That question is important, but I just wish to say this. Superior courts or supreme courts are not necessarily more expensive than county courts. Surely this is a matter which will be decided and fixed by the rules of courts, or by the code of civil procedure. I was hoping that this type of matter might be discussed in the meetings with the chief justices, meetings to which I referred a few minutes ago. Though the question of costs is important I do not think we should assume that necessarily it will be more expensive to litigate in supreme or high courts.

As a federal government we were dealing with effectively. Problems of legal aid, as with all aspects of the matter. Some aspects, however, the federal government, cannot cope hon. members know, cannot be solved by federal government action alone. At least, those problems can be solved only with great difficulty, if at all, where the federal government acts alone. Problems to do with lawyers' fees cannot be solved by the federal government, and court costs are fixed by rules.

Clause 19(1)(c) of the bill provides:

A court of appeal may make rules ...

(c) respecting the fixing and awarding of costs;

Subclause (2) provides:

—the governor in council may make such regulations as he considers proper to assure uniformity in the rules of court—

We have therefore some leverage in this matter. I can only suggest that this type of question ought to be settled by provincial consultation. Again therefore we did not find it advisable to give jurisdiction to courts which seemed traditionally unprepared to decide these very substantial matters of rights, merely because costs were to be involved. That matter could be settled by another approach. In other words, here again we did not try to deal with everything in this bill. We have tried to draft the bill as best we could according to the powers we have.

• (8:20 p.m.)

The final point I want to make, Mr. Speaker, has to do with conflicts of law. Here I am thinking mainly of a few points which were

raised by the hon. member for Quebec-Montmorency (Mr. Laflamme) and the hon. member for Stanstead (Mr. Forest).

[*Translation*]

The problems raised by those members are extremely important. They gave us a real course in comparative law and I believe that we have taken that fact into consideration ourselves when drafting this bill.

It is obvious that the present divorce legislation, which is perfectly along the lines of the constitution, may, as a result, affect some other existing statutes under the Criminal Code. Here again, we have not felt that the decision to vote on a divorce legislation should be postponed indefinitely, nor deemed it necessary to wait until all legal conflicts are settled beforehand. I think it would have implied lengthy negotiations, and I am even inclined to say, very lengthy.

We have preferred to pass the legislation and keep strictly to questions of federal jurisdiction with the idea that later the courts will try to solve the problems of conflicting legislation under the principles applicable to other conflicting legislation throughout the country.

As for the question of the hon. member for Quebec-Montmorency (Mr. Laflamme) concerning children, I should simply indicate that the children over 16 will keep the rights they now have under the Civil Code. The present legislation deals with decisions rendered for children under 16, but the fact remains that section 165 and following clauses of the Civil Code dealing with alimony are not deleted for all that. These clauses apply to filiation and it is clear that the divorce legislation which breaks the bonds of matrimony cannot in the least break the bonds of filiation. Therefore, it may be that a 20-year-old son, wishing to pursue certain studies, may avail himself of the Quebec jurisprudence to the effect that he still has a claim on his father, regardless of the fact that the latter is divorced. In other words, the rights of filiation are unaltered by the Divorce Act.

There are other examples of conflicting legislation which I should like to deal with, but I am pressed for time and I hope that the hon. members will ask me questions with regard to the clauses themselves when we study the bill in committee. For the time being, I ask for your indulgence, since we are ready to move second reading of the bill and I should like to thank the hon. members for their attention and conclude my remarks.

Some hon. Members: Hear, hear.

[*English*]

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

On clause 2—*Definitions.*

Mr. Aiken: Mr. Chairman, I propose to move an amendment to clause 2 to give divorce jurisdiction to the county and district courts. I shall give my reasons very briefly because the matter has been very carefully canvassed by members during debate on second reading, and a reply has been given by the minister. I think that the key to the success of this legislation lies in the question of jurisdiction. In the first place, high courts mean high costs. Divorce should not be the privilege of those who can afford it, but rather the right of those who merit it.

Second, divorce in the assize courts means divorce in a hurry. This has been one of the complaints over the years about divorce litigation, that it was shoved in without proper consideration, to be taken care of during proceedings in the assize courts at times when the judges had many other things on their minds. A very simple amendment to the bill could take care of this objection.

Third, reconciliation proceedings require continuing effort. In most areas county court judges are able to adjourn from time to time in order to follow up on reconciliation efforts. The high court judges are not. If these reconciliation proceedings, which some of us feel are unsatisfactory anyway, are to be at least carried out with some appearance of reality, then they should be carried out by judges who are able to continue their consideration of the matters involved.

These are the three points I want to raise. They were raised originally when I spoke on second reading, and I think they are still valid.

I would like to say a word about the minister's reply, because he made two or three points which had not been brought out previously. The first is that the provinces can now designate their local judges, who are county and district court judges, to try divorce actions. All I can say is that this power has been there all along, but it has never been used, except in Nova Scotia as my hon. friend from Pictou tells me. In general, across the country, this power has not been

used and there is no reason to think the new law will result in any changes unless there is some direction. Therefore I do not think that point is valid. If the law has been there in the past, this bill will make no change in that respect.

The minister also mentioned that the regulations as to costs could be made by the committee which sets up rules of court in each province. Here again I say that such committees could have done this all along. They could have made provision to make divorces less costly. If it is the intention to make them less costly, I am sure these committees would expect parliament to give them some lead; but we are giving them no lead in this legislation—except what may be gleamed from the debate on it, and the vote which we shall have now—to show that parliament really intends that the costs should be kept down. So while the minister made a number of good points, I really think that it is fundamental to grant divorce jurisdiction to the county and district courts.

• (8:30 p.m.)

Over the week end I have become even more completely convinced of this, since so many people have said that the purpose of this legislation, as expressed during the committee meetings and here, is to get away from the practice of having so many common law unions—I will not call them marriages, because they are not—which result in illegitimate children and in a negation of the sanctity of marriage itself. This is the purpose of this legislation.

In the first few months or years we would hope that many of these unsatisfactory unions would be made legal. This would be done by a party obtaining a divorce from his or her spouse, who lives somewhere else, and marrying the person with whom he or she is living. If this procedure is to cost a substantial sum of money, then it will not happen. These people, many of whom are unable to obtain a divorce because they cannot afford it, will be in no better position after this legislation has passed than they were before. So we will end up with a person who can afford a divorce getting it more easily on broader grounds while those on marginal incomes who would be unable, or would not have the desire, to raise several hundred dollars to obtain divorces in the high courts will more likely abandon the idea and buy new refrigerators or washing machines for their homesteads, rather than get divorces. This is a real possibility under any circumstance.

[Mr. Aiken.]

If this legislation does nothing more than broaden the grounds for those who can afford a divorce, then it will not help the situation. I believe we will find that the very objectives which I know the minister and the government have will go by the board unless this parliament directs that the county court judges are intended to be the judges who will preside over these trials. Unless this parliament directs that the costs shall be kept to a minimum, then I am sure the desired objective will not be achieved. If reconciliation proceedings are intended to be real, this will be more difficult and will shove up the costs unless there is jurisdiction in the county courts. County court costs are known to be generally less costly, regardless of how one looks at it. They will keep the costs down to a reasonable amount; they could be kept very low.

For all these reasons I urge very strongly that the minister reconsider this question of jurisdiction. I will pass up all my other objections if this one suggestion is accepted, because I believe the rest will all come together. In respect of the marriage breakdown, the minister has moved in that direction. He has not moved as far as some of us would like to see him move, but he has moved. On the question of reconciliation he has moved, perhaps not as far as we would like to see him move, but there is the seed of a move toward reconciliation procedures. On the matter of the county court jurisdiction, however, there is no movement at all. In fact, if it is resisted here, then it can be taken that the intention is to keep the jurisdiction with the high courts, keep the costs up, and not to reduce the costs. I would ask that the minister consider this question of the other courts, because I believe this is fundamental.

Now, Mr. Chairman, in order to give effect to this I have an amendment which I should like to propose. I might say that this is an amendment in which all our members on this side concur, even though we have some differences of opinion in respect of the marriage breakdown question and how far it should go. We are in agreement that the county court jurisdiction should have effect. We have taken clause 8 out of the draft bill proposed by the joint standing committee, and we would like to see it included in the bill which has been proposed by the minister. I, therefore, move:

That subclause (e) of clause 2 be amended by adding at the end thereof the following:

"(vii) In any province with courts having jurisdiction to dissolve marriages, the county or

district courts shall have jurisdiction, equally and concurrently with the superior court therein, to dissolve marriages and to provide ancillary relief, on any existing ground or on any ground added by this act: Provided that, on the application of any party thereto, an action for dissolution commenced in a county or district court shall be transferred to the superior court, and provided further that any ancillary relief granted by the superior court coincidentally with a pronouncement of dissolution may be enforced, and may be varied from time to time as circumstances may require, by the county or district court in the county or district in which the petitioner resides."

[*Translation*]

The Deputy Chairman: For the information of the committee, I shall read the amendment moved by the hon. member for Parry Sound-Muskoka (Mr. Aiken):

That subclause (e) of clause 2 be amended by adding at the end thereof the following:

(vii) In any province with courts having jurisdiction to dissolve marriages, the county or district courts shall have jurisdiction, equally and concurrently with the superior court therein, to dissolve marriages and to provide ancillary relief, on any existing ground or on any ground added by this act: Provided that, on the application of any party thereto, an action for dissolution commenced in a county or district court shall be transferred to the superior court, and provided further that any ancillary relief granted by the superior court coincidentally with a pronouncement of dissolution may be enforced, and may be varied from time to time as circumstances may require, by the county or district court in the county or district in which the petitioner resides.

[*English*]

Mr. Brewin: Mr. Chairman, I should like to support the amendment moved by the hon. member for Muskoka-Parry Sound. I shall try to make my remarks brief, because this matter has been discussed previously. There are some differences I have with the minister which I do not think can be very easily resolved and, although I may move or support amendments, I do not expect to persuade the minister. However, on this particular point concerning the jurisdiction of the county courts, once again I urge the minister to give consideration to this amendment.

There are a number of reasons. First I should like to refer to the report that was made by a joint committee of the House of Commons and the Senate. The members of this committee included a great many lawyers who are experienced in this field, including some from the Senate such as Senators Roebuck and Croll, for example. In addition, many hon. members on the government side of the house endorsed this report.

The report contained a unanimous recommendation that the jurisdiction be a concurrent jurisdiction in the county courts, and the reasons therefore are set out in the report. Although I do not propose to read this at any length, I should like to read the following which appears at page 261 of the appendix to *Votes and Proceedings* of June 27, 1967:

It is the practice in those provinces where dissolutions of marriage are granted for jurisdiction to be exercised by the superior courts. This practice has obvious disadvantages. The procedure of the superior courts is costly and involved, and these courts, burdened with cases of a more weighty character, tend to dispose of their long lists of divorce cases as quickly as possible and in a perfunctory manner.

I suggest that the voice of experience was speaking when that statement was made and that it is a fair statement of fact. I should like to read further from the report of the committee:

It would seem a far better solution—

And they have dealt with the idea of the family courts.

—to vest in the county courts concurrent jurisdiction with the supreme courts.

• (8:40 p.m.)

These courts have advantages over the superior courts for the disposal of local divorce cases. Their procedure is less involved and consequently less costly. County court judges are resident in county towns and their local offices and officials are readily available at all times. The judges can be easily reached when an order needs to be explained or varied and when additional provisions are required. Furthermore, county court judges are more familiar with the local circumstances and situation, as well as being more accessible, and consequently are in a better position to make helpful judgments.

These remarks were not just those of any individual speaking; they are the remarks of a whole group of experienced lawyers and other members on the committee, both from the Senate and from the House of Commons, who heard the evidence and looked into this matter and came to this serious conclusion. I think it is up to the minister to give a little better answer as to who advised him to change this particular conclusion. I want to assure him that the points made here are correct. County court judges are accessible in various parts of the country, and I think particularly of the province of Ontario. I ask the minister to consult the lawyers in his own party in this house, who have had experience in these matters. They will repeat exactly what I am saying at this particular time.

The minister sweeps aside lightly the question of costs, and I do not think it should be

swept aside that lightly. The costs that are involved in this matter are going to be substantially lower in the county courts than they are in the supreme or superior courts. I cannot set an exact figure on this, but I suggest the difference lies somewhere between $200 or $300 for the average case in the county court, particularly if it is not opposed and there is a brief trial, and $600, $700 or $800 in the supreme court, again assuming that there is not a long trial. So we have the possibility here of cutting in half the costs, to litigants. Having this opportunity to cut this cost in half, why do we not avail ourselves of it by accepting that improvement which is recommended to us by the committee?

There is a lot more than this, and in respect of this matter I think the best witness we had before the committee, and I am a little prejudiced because he was a former partner of mine, was Mr. Justice McRuer, formerly chief justice of the high court of Ontario. In giving evidence before us he said this:

> Jurisdiction in regard to divorce is in the superior courts, in the supreme court of Ontario. Jurisdiction in regard to custody may be with the surrogate court, which is the county court judge, the supreme court judge, or it may be that a family court judge can make an order for custody.

He then said:

> I always felt awfully helpless in deciding a question of custody as a supreme court judge. I was very remote. I would go to Welland, and I would probably not be back in Welland again for five, six, or seven years. It is the same with other judges. We go on circuit, we go in and hear a case and we feel that we are not at the bottom of it at all, but we make an order for custody.

This evidence can be found in the proceedings of the divorce committee at page 597. Mr. Justice McRuer then went on to point out the complications when they are asked to review these matters of custody. They have to get in touch with the judge in the capital, in Toronto if the case is in Ontario, or elsewhere. He gave many illustrations of these difficulties.

The minister said something about not having to change this jurisdiction here in Ottawa, as the provinces can do this for themselves. I suggest that is not a good enough answer. If this parliament sets the jurisdiction in the superior court, I doubt very much if a province could do anything to shift it somewhere else. Let me read what Chief Justice McRuer told the committee—and the minister will find this at page 599 of the evidence, if he is interested. I do not know whether he has even looked into this. He mentioned the case in the Supreme Court of Canada and the British Columbia case, although I have forgotten the name. Chief Justice McRuer said:

> I would like to see in the first place a dominion act, in that it would be necessary for the dominion legislation to confer concurrent jurisdiction on the superior court and on the county court so far as Ontario is concerned. When you get to Quebec you do not have county courts, you only have the superior court there. In British Columbia they have been able to do this by provincial legislation. But I doubt very much if that could be done in Ontario, because the majority of the courts hinge around the history of the local judges of the supreme court, county court judges who are local judges of the supreme court.
>
> Mr. Justice Judson's judgment would probably go the whole way and Ontario could do it, but I think it is very dangerous. I think it ought to be done clearly by legislation of the dominion government, because 20 years from now the point might be raised that the divorce was not valid because the court did not have the jurisdiction in a case where inheritance or something of that sort was involved; you have to be very, very sure of your ground.

The chief justice was speaking here about the necessity of dominion legislation to clear up this question of the jurisdiction of county courts. The minister suggests we should let the provinces do this, but I ask him to listen to what the chief justice of this high court said. I would not be in the least surprised if the chief justice of this high court, with years of experience in this field, knew a little bit more than those presently advising the minister in this regard. I suggest we do not need to leave this matter in doubt.

There is one other point I want to make. The minister turned to the English procedure and he quoted from "Putting Asunder", the book I quoted from, and for which I have an extremely high regard; but the passage he quoted dealt with the situation in England, and the county court in the jurisdictional system in England bears little resemblance to those in Canada. In England they do not have the vast distances which make it inappropriate for supreme or superior court judges to be responsible for these matters. I remind the minister that under his own bill it is necessary for matters of custody and maintenance to be dealt with and varied, and I assure the minister that in practice this will create a real and actual complication, as well as injustices. If someone lives up in Port Arthur, for example, and has to send down to try to catch a judge who is in Toronto or on circuit somewhere else throughout the province, this becomes difficult.

The minister said, and I think he has a point, that perhaps some of the local county court judges for one reason or another may not be particularly suited to the very important function of dealing with these matters. If that is so, they should not be sitting at all.

The amendment moved by the hon. member for Parry Sound-Muskoka suggests concurrent jurisdiction. I know there are many points in regard to this matter on which I differ from the minister, and I do not expect him to pay very much attention to some of the changes I suggest. It would be difficult for him to do so, because the substance of the act is written down and he cannot be expected to back down on decisions that have been made by the government. However, in respect of this particular question of jurisdiction of the courts, he could make this bill far more acceptable throughout Canada if he listened to what he has been told today by experienced lawyers in every corner of the house. I hope that he will find some way to take a second look at this matter.

Mr. Trudeau: I have a very brief explanation, Mr. Chairman. I must say that in the very few instances where the government departed from the recommendations of the joint committee we did so only after great hesitation an consideration. In reply to the hon. member for Greenwood, who wants to know more about who advised me, I must say this is a cabinet decision. There are in the cabinet a great many lawyers who have had a lot of practical experience in the application of divorce law.

I do not think I need go beyond saying that this is a government decision, not a personal one. I must take exception to the phrase the hon. member for Greenwood used, to the effect that I swept lightly aside the question of cost. I am afraid the hon. member was swept aside by his own enthusiasm and lack of memory. I did explain that this question of cost was an important one, but, the government considered that the question of principle had to be dealt with first; and, in view of the fact that we were introducing divorce law that went way beyond any divorce law which had existed in Canada hitherto, we felt that this completely new concept of divorce, at least during the initial years, should be adjudicated by the high courts and not by the county courts.

• (8:50 p.m.)

The reason of substance is the one that was given in the report, "Putting Asunder". It is not here a question of distance so much as one of substantive law. It is of such a nature that it should be decided by the high courts at least during the early years. This was the first step taken by the government in terms of logic. Then it said: What is the consequence of this on costs? We realized that the costs question was not solved in the same way if the matter went to the high courts as if it went to the county courts. But we felt, as I explained this afternoon and this evening, that the question of costs is one that can be dealt with in another way. If, for reason of principles, we felt it should go to the high court, we decided we should follow our principles and that the question of costs could be decided in other ways, such as by consultation, as suggested by the hon. member for Halifax.

Mr. McCleave: Mr. Chairman, I wonder whether it would help the minister if, because of the logic of the cabinet to which he has referred, there were added at the end of the proposed amendment, "provided, further, that such judges of county or district courts may exercise concurrent jurisdiction in any province upon the request of the lieutenant governor in council of that province"—in other words, take in the unanimous recommendation of the committee and make it a request of the province? I think this is frightfully important. We have had two expressions of opinion, plus the minister's response, but I have three other facts which I think must be injected into the debate.

This matter is really at the heart of, or is one of the real pedestals of divorce reform. The question has been asked whether it would mean a diminution of costs or less expense to the petitioner if there were county court jurisdiction in this matter. I think in honesty I would have to say, as a Nova Scotian lawyer, that we already have such differences in jurisdiction that the difference in cost is not a compelling factor; there would be less expense in county court, but not enough to justify the step that is being taken. However, I must point out to the committee that of some 470 divorce cases tried in Nova Scotian courts in the year 1966, there were 200 tried by county court judges exercising jurisdiction in the court for divorce and matrimonial causes, or the supreme court as it would be familiarly known here. That is almost 50 per cent of the cases.

So what is the logic of the cabinet decision going to do, if the minister does not accept the amendment? This logic would mean that for the next couple of years we will have

amendments to the Judges Act every year so that an extra couple of judges could be appointed in Ontario, British Columbia, etc., because the burden would simply become greater on the supreme court judges. We know, if I may use the word, that a conservative estimate of the number of divorce cases in Canada is now around the 9,000 mark per year and that this number will double at least for the next couple of years, throwing a burden on the courts that will be extraordinarily difficult to meet.

In Nova Scotia, even with the judges of the supreme court, and 11 of the 12 county court judges working on divorce cases, it will mean a tremendous load for them. But for other provinces where the county or district courts have no say at all, I would say the burden would become insuperable.

There is the point about readier access to judges. I talked to a lawyer in Truro, Nova Scotia, tonight. Truro is 60 miles from Halifax. Lawyers and their clients, one would think, could drive from Truro to Halifax to have their cases tried. But this lawyer said: Would you impress upon the House of Commons the fact that having our county court judges deal with divorce cases in Truro is, even though it is close to Halifax, a tremendous boon to parties because they would have to wait for a circuit judge to come to Truro or go to Halifax at some convenient time. When dealing with mileage and people losing half a day or a day's pay in order to be a witness, you are dealing with factors that are in my opinion pretty considerable. This is another reason why the county court approach commends itself.

Others have mentioned this matter but I think it should be banged home over and over again, as I did on second reading. The very first time I saw the bill it struck me as extraordinary that under clause 8 the judge must lean over and face the petitioner, respondent or both and say: Is there any chance that you can come together and give up seeking this divorce? One of them might say yes, and the dear old soul would then say: We will postpone this hearing for 14 days to give you a chance of reconciliation. And off he goes. As has been pointed out, he goes on circuit and it may take years and years to catch up with him.

What will be the effect of this provision? As a lawyer I have a duty imposed on me, when people come into my office, to say: Is there any hope that this marriage can be saved? I am sure other lawyers do this as well. Under another clause of the bill you are supposed to give them certain advice. There will come a point early in the proceedings when the lawyer will have to say: "Madam petitioner, the judge will ask you whether there is any hope of reconciliation. I can advise you, my client, that if you say yes at that point your case will have gone for at least 14 days and you may never catch up with it again, or at least for months and months or years and years.

These are pretty considerable factors. I do not care what happened in 1912 in the Gorell committee. There was a different form of legal values then. We are talking of the here and now, and the unanimous recommendation of a divorce committee of both houses of parliament. If we are really serious about cutting costs for people, the amendment of the hon. member for Parry Sound-Muskoka, commendable as it is and as much as I support it, will not be enough; we should have the guts to get down to a better administrative, more workable approach.

In any event, Mr. Chairman, let us deal with the here and now and arrive at the most practical measure possible. I suggest to the minister that if he does not like the amendment of the hon. member for Parry Sound-Muskoka perhaps he would consider it with these extras added:

> Provided, further, that such judges of county or district courts may exercise concurrent jurisdiction in any province upon the request of the lieutenant governor in council of that province.

I so move, Mr. Chairman.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Aiken: Mr. Chairman, I am quite happy to accept the amendment to my amendment.

Mr. Trudeau: Mr. Chairman, while the table is getting things in order perhaps I may say a few words, not to meet the substance of the argument, once again, because I think the issue is joined, but because I would not want certain misconceptions to go about.

• (9:00 p.m.)

The difficulties mentioned by some hon. members are real of course, but they must not be exaggerated. I have heard it said on different occasions that it is sometimes necessary to wait six months or a year for some superior courts in certain provinces to reconvene. That is not a real objection because the rules of a court can be changed. If a court

decides that attempts should be made at a reconciliation, after which it adjourns for 14 days so that all the evidence may be brought in, in view of the fact that the evidence has not been heard and the issue not yet solved, the court can be deemed not to have been seized of the case. In the event that it has been seized of it, the rules of the court could easily provide that the file be transferred to another judge coming to that city at a later period.

Let me say one final word with regard to the matter of costs. If the house wants to deal with the question of costs, I think it is possible to write into the law that no costs would be involved. This is done in the criminal law which is under federal jurisdiction. I think that under the constitution it would be possible to write into the law that no costs will be involved and that the divorce will be granted at the expense of the state. We may be prepared to accept this at a later stage. The point I am trying to make is that in this bill we are trying to settle primarily the question of principle. Although the matter of costs is an important one to us, I believe it can be solved by means other than the ones indicated in the amendments that have been moved.

The Assistant Deputy Chairman: The question is on the subamendment. Is the committee ready for the question?

Mr. Nielsen: Mr. Chairman, I am afraid I will have to speak in explanation of the manner in which I shall be casting my vote. As desirable as it may be for other reasons, I will have to vote against the subamendment and will probably find myself for the first time in my career here on the same side as hon. members opposite, although it is certainly not by choice. I may explain to my hon. friend from Halifax that my reason for voting against the subamendment is that the divorce courts in the Yukon have a separate and distinct jurisdiction. We have no county or district court and we have no lieutenant governor in council. The subamendment would therefore be absolutely meaningless to us at the present time.

The Minister of Justice has asked the council for their views with regard to the transfer of the administration of justice, which would be a great step forward in constitutional reform if anything comes of it, and I hope it will. However, in the meantime, since the subamendment will be meaningless to the Yukon jurisdiction, and I dare say the the same applies to the Northwest Territories, I must oppose the subamendment. It would be harmful in that the amendment could be made applicable to the jurisdiction in the Yukon if, for instance, power were given to the commissioner instead of to the lieutenant governor in council.

The Assistant Deputy Chairman: Is the committee ready for the question?

Amendment to the amendment (Mr. McCleave) negatived: Yeas, 46; nays, 67.

The Assistant Deputy Chairman: I declare the subamendment lost.

Is the committee ready for the question on the amendment?

Amendment (Mr. Aiken) negatived: Yeas, 49; nays, 66.

The Assistant Deputy Chairman: I declare the amendment lost.

Mr. Bell (Carleton): Mr. Chairman, I have no intention of delaying the final decision on this clause, but I want to put directly and immediately before the minister the very issue upon which he himself has alleged this matter could be settled.

He has said that immediately the bill is passed he intends to consult with the provinces, and that as a result of these consultations the legislation may have to be adjusted. If I may, I should like to give the minister full freedom of action to make the necessary adjustments after he has had these consultations. Therefore I propose to move—

—that clause 2(e) be amended by adding at the end thereof the following words: "Provided, however, that in any province or territory having county or district courts, the governor in council, upon petition of the lieutenant governor in council of such province, or of a territorial council, may order that such county or district courts shall have jurisdiction in such province or territory equally and concurrently with the court of such province or territory hereinbefore mentioned.

And provided further that, on the application of any party thereto, an action for dissolution and ancillary relief commenced in the county or district court shall be transferred to the court hereinbefore specified.

• (9:10 p.m.)

This is a very simple amendment. It gives to the governor in council full freedom of action in any particular province, if the lieutenant governor should ask for the authority to be invested in the county or district court. In the territories, it gives that right of request to the territorial councils. The provincial executive council or the territorial council is closest to the people and best able to decide the appropriate tribunal. I think

the minister can accept this amendment and it would be a real contribution to getting the legislation through this chamber.

Mr. Fulton: I will not have very much to say about this bill, Mr. Chairman, because, as will be understood, I am not deeply exercised about the widening of civil grounds for divorce. But I do suggest to the minister that he should carefully consider the amendment moved by the hon. member for Carleton, because what does concern me about this bill is the potentially great increase in cases that will come before our courts. I believe that what the Minister of Justice should consider is whether he will find that, having passed this bill, there should occur a log jam in the superior courts of this country.

I am seriously concerned that this may be the case, and therefore I commend to the minister the consideration of this amendment which gives to the lieutenant governor of a province or the territorial council the opportunity, if they find the superior courts becoming over-burdened with petitions for divorce, to petition the governor in council of Canada to relieve against that situation.

The governor in council would then have the right to say, on that petition, that county and district courts may exercise concurrent jurisdiction. The result of the passage of this amendment would not be to deprive the superior courts of jurisdiction, but rather to confer concurrent jurisdiction on county and district courts. I do know the minister must be concerned with the expeditious disposition of cases. However, this amendment does not do violence to any principle which he or the cabinet may have had in mind in settling jurisprudence, but rather gives flexibility to the disposition of cases, which may well be found to be necessary if we are not to have the whole administration of justice bogged down with the burden of petitions from which burden relief could not otherwise be given.

Mr. Peters: Mr. Chairman, I am not a lawyer and therefore I am not familiar with all the ramifications the Minister of Justice has indicated are involved in the consideration of this principle. It seems to me the proposition is a fairly simple one. We are going to have a backlog of cases as the previous speaker mentioned. The Canadian Bar Association says 500,000 people are involved, and this may represent 250,000 cases being brought before the courts in the next ten years. This will probably be equal to the number of cases being heard by the courts previously. The minister raised an objection which in my opinion indicated that a number of judges of the country courts have been appointed who are incompetent, perhaps a far larger number than we are aware. This of course indicates that the patronage system we use to appoint judges is not a good one. I believe this is the only reason the minister has given for his objection to this procedure.

The minister said the decision with regard to giving jurisdiction to superior courts was a cabinet decision. I am sure they did not say they had to limit it to superior courts. No doubt the cabinet did say they would have to put these matters into courts where they would not get out of hand. I believe this statement illustrates the incompetence of county and district courts. This may be true, and if it is, then the 250,000 litigants who will be involved in divorce matters should not be foisted off on these lower courts.

The next matter of concern, of course, is costs. Then, too, on sundry occasions lawyers are always willing to bandy about that old phrase, "Justice delayed is justice denied". I know from my own limited experience there are cases now coming before the Supreme Court of Ontario which date back two years and which have not been heard as yet. If you ask about these cases you are told the judge has not had time to reach them. If you write the judge, he says the case was not on his docket and therefore the lawyer is to blame. If you ask the bar association they will say, "A plague on both your houses". The person making the inquiry is never sure who is to blame. He changes lawyers, tries again and the delay is continued.

I believe the minister should have a better argument than saying to the people of Canada or to members of parliament that this act is going to be so difficult to administer that only superior courts of the provinces are going to be able to handle it. We are not going to be faced with so many new divorce actions; but there have been many divorce actions pending the passage of this legislation. I am surprised at members on the other side. These are the members who stood up and said, "Let us not rush things", when this subject was before us two or three years ago. They should decide not to be sheep, and should take unto themselves the right which the Prime Minister gave on other occasions when moral matters were involved. This is a moral matter. Many people are waiting for relief from situations which developed

through no fault of their own, and this legislation will grant them some relief. It seems to me we have an obligation to see that they get their case before the courts as soon as possible, with as little cost as possible.

I am sure the minister is not prepared to come back to parliament and ask us to double the number of supreme court judges in any province. I suggest, too, that no negotiations take place in the back room between the minister and the attorney general of a province. We should decide here to give jurisdiction to county and district courts. Surely we will be able to make our legislation and regulations simple enough that even some of these judges who may be incompetent will be able to understand them. If we cannot, then this is a sad reflection on the type of judiciary we have at the junior level, and who appear before John Q. Public at all times. They should be able to understand what appears to me to be a fairly simply bill. We have to decide what the grounds of divorce are and what the regulations will be, but I do not think it is stretching the imagination too far to suggest that most county and district court judges are competent to handle the provisions of a simple bill.

• (9:20 p.m.)

If hon. members opposite are going to wait five years before making this decision, then the responsibility will be on their shoulders. I remember I carried on my shoulders the responsibility for delaying divorce actions, which these same hon. members said at the time should receive free and easy passage. In this case I would suggest they question their moral justification for their present stand.

Mr. Nesbitt: Mr. Chairman, I do not intend to take very much time. The hon. member for Kamloops and the hon. member for Carleton presented very able arguments to the minister, and I suggest it is possible that unless the amendment is accepted there will be a huge backlog of cases before long.

There is one question about which there is no argument, and that is that leaving jurisdiction in this matter entirely within the superior courts will increase the cost of divorce. I am astonished at the attitude taken by the minister and the hon. member for Fort William who have always been noted for their humanitarian interest in such matters. They are supporting, in effect, a piece of legislation which provides one law for the rich and another law for the poor.

I would appeal to the minister to reconsider this matter. This is not a piece of political legislation but something that every member of the house is anxious to expedite and approve, Although we never attribute motives to members of this house it seemed to me that the minister gave the appearance of ministers in the "good old days" of the Liberal party who regarded any suggestion coming from the other side of the house as unworthy of any merit.

I appeal to the minister to take a leaf from the book of the former minister of transport who, when dealing with a very detailed and complex bill in this house last session, accepted no less than 70-odd amendments. The amendment moved this evening was put forward in good faith by members of the house who have had a great deal of experience in the practice of law. It is moved for no other purpose than to try to improve the bill.

Therefore, Mr. Chairman, I appeal to the minister and his colleagues not just to dig in their heels and lay their ears back simply because someone on this side has made a suggestion. I ask that they give it consideration and not support what is, in effect, one law which will favour the "cocktail set", making divorce easy for them, while making divorce not so easy and more expensive for others.

Mr. Trudeau: Mr. Chairman, I agree with the intent of the amendment moved by the hon. member for Carleton and with some of the reasons given by the hon. member for Kamloops for giving the provinces an element of choice here. The administration of justice is mainly a provincial matter, and the problem will arise, of course, that there will be a greater number of divorce cases in the provincial courts. Indeed that is the very purpose of the bill. Even if the hon. member for Kamloops is not over-enthusiastic about enlarging the grounds for divorce, he has no objection to our doing so. Inevitably the number of cases in the courts will increase.

The question is, which courts will try these cases, the county courts or the superior courts? Whether it be one or the other there will inevitably be congestion. It does not seem preferable *a priori* to congest one court rather than another; the result in either case will be—

Mr. Lewis: Would the minister permit a question?

Mr. Trudeau: May I just finish my remarks. I do have difficulty making sure that my final phrase fits in with the first phrase, but when I have finished my sentence I will permit the question.

I was saying that the congestion will be in one court or the other. Inevitably the provincial legislatures will have to move to increase the number of judges at one level or the other. I would suggest to the hon. member for Timiskaming that it is a question for the provinces, as he well knows, to increase the number of courts in the provinces through their own legislation. All we do federally is to fill the vacancies.

Mr. Lewis: Mr. Chairman, it seems to me the minister is missing something. Is it not true that if both levels of court are given concurrent jurisdiction, and there are in Ontario about 50 county courts—

Mr. Bell (Carleton): Actually 65.

Mr. Lewis: Yes, 65 county and district court judges, plus 20 supreme court judges, all with concurrent jurisdiction, then the likelihood is that the congestion will be spread over a much wider area. This surely is of value to the courts.

Mr. Trudeau: The hon. member's question is really leading me to the second point that I was going to make anyway, a point I have made over and over again. We are giving the provinces a choice. We are saying that divorce is a high court matter and we are putting this into the law. But we are going on to say that if a province wants to provide for additional local judicial officers of the high court, to which county court judges can be appointed, then it can do so. But it will do so by provincial legislation, rather than by order in council as suggested by the amendment. However, the result is the same. The province can take action in one way or the other and decide for itself where the congestion is going to be.

If there is going to be congestion, then this can only be eased by an increase in the number of judges. Surely the situation cannot be met by shifting judges from one level to the other; more judges will have to be appointed either to the one court or the other.

Finally, Mr. Chairman, may I repeat that the decision is a provincial one. The federal government is not deciding that there is to be a distinction made between the high court and the county court. I do not think the argument about one jurisdiction for the rich and another for the poor should be addressed to me. If a province wishes, it can place all its courts on the same level. This is the case in the province of Quebec and also in the territories. The distinction between the county and the high court is not one of our creation. It falls within the administration of justice in a particular province.

Mr. Brewin: Mr. Chairman, I do not want to get into a long argument on this question with the minister, but it is a fact that in some provinces in this country, Ontario for example, there are 65—as somebody said—county court judges permanently sitting in county towns, many of whom are not overburdened with work. On the other side of the picture there are 20 supreme court judges who go on circuit, and in some county towns stay for only a week or two weeks at a time.

• (9:30 p.m.)

Mr. Bell (Carleton): Two days.

Mr. Brewin: It is for two days, as the hon. member for Carleton has said. I accept his amendment. In any event, whether it is two days or two weeks the fact of the matter is that often high court judges must deal with important criminal matters, murder trials and similar matters, and often they are not able to deal with divorces.

Really, I think the hon. member for Carleton has suggested a sort of compromise which ought to appeal to the minister. The minister said that the decision of cabinet was involved here. I do not know how deeply the cabinet looked into this matter, but I do know how deeply the committee on divorce looked into it and the unanimous conclusion they arrived at.

If this is a matter of cabinet decision and if what I say is true, that the legislation will not work this way and that there will be much congestion of cases on supreme court lists, then the amendment of the hon. member for Carleton, that the governor in council should take authority to direct that some cases go before county courts, should be accepted. I never saw such reluctance on the part of the governor in council to take unto himself additional powers. Usually the reverse is the case.

This is not a partisan matter. Because some of us see with great clarity the difficulty that this legislation will cause, we plead with the minister to accept this solution to the impasse we are in. It is all very well for the minister

to say that he is concerned about costs. Traditionally, the county courts are the cheap or low priced forms of administering justice, and the superior or supreme courts are the high priced forms of administering justice. Some can afford to go to the high courts to have their matter decided, but those who are concerned with family and personal relationships are not the sorts of people who can afford to go to the higher and more expensive courts.

Amendment (Mr. Bell, Carleton) negatived: yeas, 50; nays, 63.

The Assistant Deputy Chairman: I declare the amendment lost. Shall clause 2 carry?

An hon. Member: On division.

Clause agreed to.

On clause 3—*Grounds.*

Mr. Brewin: Mr. Chairman, I introduced an amendment to clause 3. I will not discuss it at great length, but it deals with the basic question of the principle that is before the house.

The amendment that I now propose would base the law of divorce on the marriage breakdown approach. I spoke about this on the resolution stage and on second reading. Several members in the house, including the hon. members for Peace River, Royal, Parry Sound-Muskoka and others have also spoken about this.

I know that the minister will not accept my amendment. Quite frankly, I do not see how he could accept it because he has argued vigorously and at length that he is not prepared to do so. Nevertheless I propose to put this amendment before the committee in order that the principles that are involved may be made clear.

The principle is this. In the view of some of us it is necessary to change the whole approach to divorce. Divorce ought to be based not on a procedure of accusation, not on a determination of which of the parties is guilty or innocent, but on a finding of whether the marriage is dead. This is the basic principle I wish to make clear.

The minister spoke about this matter and said, that, although it might be a nice idea, it was totally impracticable. I do not agree with him; I think it is perfectly practicable. The Mortimer commission, according to the archbishop's committee, spoke about the pure form of breakdown. The minister said that that would have no application under this bill. He said that if we accepted the pure form of breakdown we should become involved in an inquisitorial form of procedure. What I propose in my amendment is the following. I would move:

> That section 3 of the bill C-187 be struck out and the following substituted therefor:
>
> (1) A petition for divorce may be presented to a court by a husband or wife on the ground that a marriage has irretrievably broken down and that there is no reasonable likelihood of reconciliation.

That is the basic amendment that I propose. It substitutes the one matter of marriage breakdown for all the concepts of matrimonial fault, all the rigmarole of collusion, connivance, condonation and the phony adultery trials. That is all the courts would need to determine. The minister said, after quoting the British report, that adopting the marriage breakdown concept would entail an inquisition into a marriage, in every case. I recognize that problem and for that reason I include subclause 2, as follows:

> (2) Where the parties have lived separate and apart for a period of not less than three years, then it shall be prima facie presumed that the marriage has irretrievably broken down and that there is no reasonable likelihood of reconciliation.

The minister might say that that is not the pure form of breakdown. I am not interested in purity; I am interested in something that will work. At the end of a lenghty separation—I do not care whether it is three years or five years, or whatever the period is—the court would be entitled to presume the breakdown of the marriage.

• (9:40 p.m.)

There would then, under those circumstances, be no need for lengthy inquests or difficult inquiries. As a matter of fact it might not be much more difficult than it is today to go through these hotel and motel trials that we have had. With respect to the third subclause in my amendment, it reads:

> (3) The court may refuse to grant a decree of dissolution of the marriage if it is satisfied that to grant a decree might prove unduly harsh and repressive to the respondent.

The reason I include that is that it is possible to conceive of a case in which a person has behaved very badly and that person might seek a divorce, but the courts might think it a hardship on the wife to grant the divorce. Therefore Mr. Chairman, I will move that clause 3 be amended, and my amendment be substituted for it. If this amendment were adopted—and I am not over optimistic that I can suddenly persuade the solid phalanxes of the government to agree with me at this

stage of the day—then clauses 4, 7, 8 and 9 of the bill would not be necessary.

This is a new concept, a concept supported by the churches, a concept put before our committee and which we think makes sense. It bypasses the old method of doing things. It bypasses 30 years of English experience of doing things, and I suggest puts the matter on a more fruitful and sounder basis. The object of divorce legislation should be to provide that where the marriage tie no longer represents a reality, where the marriage is completely dead, and when it no longer serves the purpose of marriage, which is the life-long living together of a man and a woman, then the law shall determine that the marriage is at an end. It has been suggested that I should read this amendment again, Mr. Chairman. I am perfectly willing to do so. I shall read it in English and perhaps you, Mr. Chairman, might read it in French. I move:

That section 3 of Bill C-187 be struck out and the following substituted therefor:

"3. (1) A petition for divorce may be presented to a court by a husband or wife on the ground that a marriage has irretrievably broken down and that there is no reasonable likelihood of reconciliation.

(2) Where the parties have lived separate and apart for a period of not less than three years, then it shall be prima facie presumed that the marriage has irretrievably broken down and that there is no reasonable likelihood of reconciliation.

(3) The court may refuse to grant a decree of dissolution of the marriage if it is satisfied that to grant a decree might prove unduly harsh and repressive to the respondent."

As I have mentioned, if this amendment were adopted it would also replace clauses 4, 7, 8 and 9 of the bill.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Fairweather: Mr. Chairman, I think the hon. member for Greenwood is correct when he says that there is not very much chance of this reform finding favour with parliament, but as one who had the privilege of seconding the hon. member's earlier bill, which would have brought this new concept into play, I want to be on record as supporting it. Some people, when they consider the marriage breakdown concept, rather sneeringly consider it to be woolly headed. I rather prefer to think of it as really a much clearer concept than that envisaged by the somewhat lengthy bill presented to us by the minister.

Of course the minister, and I said so earlier today, is entitled to credit, as is the government and I hope so will be parliament, for a reform. But I think it is well to remind ourselves that reform is a relative thing. Many jurisdictions have long since amended their divorce legislation. As the hon. member for Greenwood has said, we have the 30 years experience of the United Kingdom to guide us and they are about to adopt, I am quite satisfied, the marriage breakdown theory.

I hoped that I would have been part of a parliament that could have been a real pioneer in the matter of the reform of divorce laws. But apparently parliament—or perhaps it is Canadians, although I think I would rather restrict this to parliament at this stage—is not brave enough to break really new ground in this field. Perhaps parliament, to quote a well known statesman, is too timid to excite the daring.

The Montreal *Star* in an editorial on December 11 had this to say about the present bill, under the heading "Divorce Compromise":

Where the bill falls short of social need is in its attempt to define marriage breakdown, to set limits within which a broken marriage must fall before a court can say that breakdown is irrevocable. Breakdown is a matter of fact in the individual case. If the fact is established to the satisfaction of the court, then the court should be empowered to grant a divorce.

It had been my hope that this parliament would have seen fit to accept this major reform.

Mr. Fulton: Mr. Chairman, I think it will be understood by the committee that as far as we on this side of the chamber are concerned, that is in the official opposition, while we have been prepared to support the bill on second reading—in other words, while we have been prepared to see a reform in the laws of divorce because we recognize that the present legal situation, to put it mildly, is far from satisfactory—yet from that point on, there is some difference of opinion on this side. For instance, I find myself now under the necessity of disagreeing with those on this side, not only some of my own colleagues but the hon. member for Greenwood, who would seek to make the marriage breakdown theory the only ground for divorce.

I respect the point of view of my colleagues who feel this way, but I would like to suggest to them that, whether they realize it or not, what they would be doing is stacking the cards against marriage. In my view the cards, if they are going to be stacked at all, should be stacked the other way, that is,

that the presumption should be that a contract of marriage, properly solemnized by either a civil or religious ceremony, or a combination of the two, is a contract for life. There are family obligations which arise out of that contract which are not within the competence—

• (9:50 p.m.)

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

Mr. Fulton: —of the parties to that contract to dispose of by their purely voluntary act. The parties having entered into a contract of that nature by their voluntary act, have yet assumed obligations which they cannot voluntarily dispose of. That is my approach to this question.

I think therefore that in approaching this matter of the grounds upon which the marriage may be dissolved there should be clear, distinct and somewhat narrow grounds. As I have said I personally share the point of view which says that one's own religious convictions should not be imposed on the rest of society: Therefore, with some difficulty I go along with this bill. But when someone suggests what to me seems to be an attack upon the whole idea of the sanctity of marriage as a contract with all its consequences, then I find that I must disengage myself from the point of view which relies upon this concept of the breakdown of marriage as being too careless a basis upon which to say that the marriage contract may be dissolved.

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

Mr. Fulton: Yes.

Mr. Prittie: Does the hon. member think that a person such as the Archbishop of Canterbury would be party to an idea that would be against the institution of marriage?

Mr. Fulton: I am not aware that the Archbishop of Canterbury is taking part in this debate.

Mr. Aiken: Mr. Chairman, I should like to make a very few remarks in respect of this amendment. In the first place I should like to clarify something that did not seem to come out right. On Friday when speaking in the house I suggested there were several shortcomings in the bill and suggested also that amendments would be moved. Some reports indicated that I would be moving an amendment to incorporate marriage breakdown on behalf of this party. I do not think this is what I said, but I can understand that some mistake might have been made because I was not sufficiently specific.

When I attended the meetings of the committee I was much impressed with the good sense of having one uniform law of divorce in Canada. At this time, in this bill, we have two opposing theories. We have the theory of the marital offence in which the cause matters. Then we have the theory of the marriage breakdown in which the cause does not matter. These two are opposite; they are both contained in the same bill and I have the feeling this will be self-destructive so far as this bill being effective is concerned, and so far as making up a jurisprudence in Canada is concerned. I do not intend to repeat the argument I made on second reading. I do not think the minister was quite fair in his assessment of what marriage breakdown as proposed to the committee actually meant.

I should like to point out to him that subclause (1) (e) of clause 4 actually includes a good part of what I consider the marriage breakdown theory to be, except that clause (e) provides no safeguards whatsoever. Personally I should not like to see the basis of marriage breakdown being made easier. I should like to see it made more difficult. Subclause (e) says that a divorce can be granted if the spouses have been living separate and apart for any reason for a period of not less than three years. There is marriage breakdown in a nutshell. However, it does not have the safeguards which were included in the bill which the committee recommended.

Mr. MacEachen: Mr. Chairman, I rise on a point of order. I have in mind seeking a means to sit until eleven o'clock. If you agree, I would ask that the committee rise and report progress.

The Assistant Deputy Chairman: Shall I rise, report progress and request leave to sit again?

Some hon. Members: Agreed.

Progress reported.

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved:

That pursuant to section (6) of standing order 6 this sitting be extended until eleven o'clock this day or until consideration of Bill No. C-187 in committee of the whole be completed, whichever shall be the earlier of these two eventualities.

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

Mr. Cowan: I object.

Mr. Speaker: In view of the fact that there are fewer than ten members who have risen in support of the hon. member, the motion is deemed to be carried.

Motion agreed to.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed consideration in committee of Bill No. C-187, respecting divorce—Mr. Trudeau—Mr. Batten in the chair.

The Chairman: When the committee rose, clause 3 was being discussed and the amendment thereto by Mr. Brewin. The hon. member for Parry Sound-Muskoka.

Mr. Aiken: Mr. Chairman, I should like to make this one point, so that it will be clear why I think this bill is incomplete and why I believe one idea of the marriage breakdown theory would be acceptable. Here we have in the bill under subclause (e) what in effect is a marriage breakdown clause. It merely provides for divorce if the parties have been living separate for three years. The report of the joint committee and the opinion of most people who are in favour of the marriage breakdown theory in Canada is to the effect that this must be hedged about by some safeguards, and that it is not good enough just to create a ground for divorce and call a marriage breakdown a cause for a divorce. This is not good enough.

The recommendation of the joint committee was that, in addition to what is in this bill, the court must find, before it can grant a divorce, first, that the marriage is permanently finished; second, that every reasonable effort at reconciliation has failed; third, that there is no likelihood of the situation improving in the future; fourth, that the question of due care and maintenance of the children is settled; fifth, that no public interest is affected and, finally, that no undue hardship on the other spouse will result.

• (10:00 p.m.)

That is what the special joint committee recommended, and if the present bill had those safeguards and everything else was eliminated but clause 4 (1)(e), we would have a reasonably acceptable marriage breakdown bill. What we have is a marriage breakdown ground without the safeguards. The safeguards are not there, and it is my opinion that what I propose, which is in essence contained in the amendment, should be included. If you are going to allow a divorce merely after three years separation the least you can do is make sure you have a perfectly valid case, that the marriage is at an end, that efforts have been made to restore it and every other provision has been satisfied in favour of separating two people. This is what I say is wrong with this bill and why I am in favour of a limited marriage breakdown proposal.

The minister did, as he stated in his own words, go a long way toward what I consider the ground of marriage breakdown. In fact, I think he went so far he could have eliminated the rest of his bill and left this one provision in, and have a good marriage breakdown bill by adding the safeguards I would put in.

Mr. Trudeau: Would the hon. member not think that these safeguards are contained in the clause on reconciliation and in clause 9 in respect of the additional duties of the court?

Mr. Aiken: No, I do not, and that is my objection. As has already been said, there is no requirement on the court to hear any witness, or any evidence that there has been any effort at reconciliation. All the court has to do is ask the petitioner whether there is any likelihood of reconciliation. If the petitioner says no, that is the end of the reconciliation procedure. There are a lot of provisions in there as to what will happen if the petitioner or the respondent says there is hope of reconciliation, but what counsel or petitioner is going to go into court with the intention of losing his case? If the petitioner goes into court with the intention of saying to the judge, yes, we can get together, then why bother because the case is either going to be adjourned, set aside for reconciliation proceedings or dismissed. I have never heard of anybody going into court with a losing case, and that is exactly what he would be doing.

Mr. Bell (Carleton): You mean with the intention of losing.

Mr. Aiken: I accept the correction. They do not go in with the intention of losing the case. It is not a requirement of the bill that inquiries be made as to whether a social worker, the Children's Aid Society, a clergyman or anybody else has worked on the case

or that they should be called before the court. I think it should be required that someone be called in to say they have been involved in the matrimonial dispute and have tried to effect reconciliation. Therefore I believe that this reconciliation procedure is a waste of effort.

Mr. Trudeau: The court can nominate a conciliator without consent of the parties.

Mr. Aiken: I agree, and that puts us right back to the question as to what control the judge is going to have. What judge is going to waste his time if all he is required to do is ask the question? He is not going to waste his time having counsel chase him all over the province to follow up on reconciliation procedures. That is what is wrong with this, and why the county court should have jurisdiction.

Mr. Basford: Mr. Chairman, I do not want unduly to delay the passage of this bill in the committee, and I did not enter the debate on second reading for that reason, but I should like as briefly as possible to put on the record my feelings about hon. members' suggestions. The hon. member for Parry Sound-Muskoka very logically brought out in respect of the marriage breakdown concept the very reasons for my opposition to it.

I know it has been said in the house and reported in the press that this concept that was placed before the committee, of which I did not have the honour to be a member, was a modern, progressive theory of divorce reform that we should adopt, namely the theory of marriage breakdown. The amendment of the hon. member for Greenwood that is before the committee is to strike out all the specific causes and all the marital offence clauses and simply substitute the concept of marriage breakdown.

The reason I oppose this amendment is that I think it would make divorce a great deal harder to obtain in this country than will be the case under the bill as it now stands. It seems to me that the amendment before us could run the risk of leading to a situation where it would be almost impossible to prove before a judge that the marriage had in fact broken down.

The requirements of proof under the amendment are that the marriage has irretrievably broken down and there is no reasonable likelihood of reconciliation. I can imagine judges in my own jurisdiction, and without making any invidious references at all I can well imagine judges in the province of Quebec, for example, before whom it would be virtually impossible for petitioners to prove that the marriage had irretrievably broken down and that there was no reasonable likelihood of reconciling the parties.

It seems to me that petitioners before the courts have a right to divorce on the grounds enumerated in clause 3, and they should not have to prove to the court that the marriage had broken down because one of those offences has been committed and there was no chance of reconciling it. I believe that if one spouse has committed adultery, the other spouse has the right, as a matter of freedom of choice, to decide whether he or she should go to court and ask for a dissolution of the marriage. It seems to me that if one spouse has committed bigamy, the other spouse should have the right to go before the courts and, after proving the first marriage, the second marriage and the identity of the parties, obtain a divorce on the ground of bigamy.

One could deal with all the specific grounds of clause 3 which the amendment seeks to strike out. In my view the people who are concerned, those who become involved in marital situations, should have the right to go to court and ask for a dissolution of their marriage on these grounds. To pass this amendment, and require them to go through the difficulty of proof that I can envisage in the amendment, would make it extremely difficult in some jurisdictions to obtain a divorce and would, I suggest, lead to an extremely costly procedure for the parties involved.

A moment ago I mentioned the question of bigamy. It seems to me that if someone has the right to a divorce or dissolution of his or her marriage on the ground of bigamy, it is a fairly simple procedure to prove the first and second marriages and the identities of the parties involved. But if this amendment were accepted, a person whose spouse had committed adultery would have to go to court and prove something far more difficult, first that the marriage had irretrievably broken down, and second that there was no reasonable likelihood of reconciliation.

I believe that there are in this country judges who, in spite of the fact that one's spouse had committed bigamy, would still say: You should go to a couple of psychiatrists and see if you cannot work out your problems and keep this marriage alive.

Divorce Law Reform

• (10:10 p.m.)

It seems to me that the people of this country should have the right to dissolve their marriages on the grounds set out in clause 3. This is a right which they should be free to exercise of their own free will, and we should not take it away from them.

Mr. Brewin: Mr. Chairman, I do not intend to speak for more than a few minutes.

Some hon. Members: Hear, hear.

Mr. Brewin: I knew I would get applause for that statement. However, I do want to comment on what was said by the hon. member for Kamloops. I am not sure I have his exact words but I think he said that the concept of marriage breakdown would strike at the sanctity of marriage. I want to take exception to that point of view. I may be wrong, and we are all entitled to our own opinion on this matter, but the fact of the matter is that this proposal was put before the divorce committee first of all by the United Church, second it was fully supported by the Anglican Church of Canada, and third, it is in line with the report made by a group of churchmen appointed by the Archbishop of Canterbury. The point they made is that the breakdown theory is more consonant with what I would call a Christian or a religious concept of marriage. I agree that we in parliament must not necessarily try, and the church does not ask us, to enforce a view of marriage which is consistent with the religious view.

The church recognizes that we are legislating for the community as a whole, but they made it very clear that in their view a secular divorce law based upon breakdown would do more honour to the principle of marriage as a lifelong union than would a divorce law based upon the so-called matrimonial misconduct.

This, in a sense, meets what the hon. member for Vancouver-Burrard has said. He is perfectly right, the marriage breakdown concept would make it harder for some people to get a divorce. It would certainly mean that perhaps in cases of a casual act of adultery the courts would have to inquire whether or not there is a possibility of reconciliation. So in some cases it might narrow the opportunity for obtaining a divorce. On the other hand it would broaden the opportunity for obtaining a divorce to include all other cases in which the marriage in fact was found to be dead and there was no likelihood of the parties getting together. So in some respects this concept narrows down the possibility of obtaining a divorce and in other respects it broadens it, but it is a new and a different concept.

Mr. Herridge: Mr. Chairman, I just want to say a few words on this matter as an Anglican who differs from my friend from Greenwood and also from the Rev. E. S. Reed, Bishop of Ottawa, and other Anglicans who presented evidence before the committee. I can tell these hon. gentlemen that they did not represent many Anglicans in this country when they made their representations before the committee, although I am sure they made them in good faith and with the best intentions.

I should like to read briefly from page 119 of the report dealing with grounds for divorce. It reads as follows:

> The commission points out that not only would trial procedure be more painful to the parties, but it would be considerably more extensive in the time and space it would occupy. If all cases were to be inquired into, trials would inevitably be longer. The vast majority of cases at present are undefended and therefore can be dealt with both swiftly and without complications. The proposed system would necessitate more courts, more judges, and, most essential, the new procedure would require large numbers of trained investigators and social workers to assist the court. All this would be extremely expensive and would have to be paid for largely by the taxpayer, although it would no doubt be reflected in higher cost of divorce to the parties as well. Far from making divorces simpler and cheaper, it might well have the opposite effect.

I want to say in this connection that I have had some discussions with members of the committee and members of the other place who are very well versed on this problem, because I was somewhat concerned about various proposals put forward to establish the breakdown of marriage as the only ground for divorce.

As I said before, I talked to some members of the committee and some members of the other place who are well informed on the subject. They told me that if this section were implemented a certain amount of snooping would be involved into the private affairs of individuals. I must say I take a very dim view of any procedure that would entail this sort of thing. I base my stand on an experience I had some years ago, and I am going to cite that experience.

A lady I knew of impeccable character, whose husband had left her, was in receipt of relief owing to her unfortunate circumstances. The social welfare worker, who at that time had no training, called on the

neighbours to enquire if this lady was living a good moral life. Two or three of the ladies informed her they had seen a man's laundry on the clothesline. The lady from the welfare agency searched the house and found a box of man's laundry. This laundry had been done by the lady out of the goodness of her heart for an old gentleman who was in poor circumstances. As a result of this snooping, the lady in question was promptly denied her welfare payments. The whole village, who knew the lady very well, was in an uproar and she finally got her welfare payments back because of the indignation of many good Anglicans and other church people in the district.

I was told by these gentlemen in the other place that if we have the breakdown theory incorporated in the bill, as suggested by some members on this side of the house,—and I fully appreciate their sincerity,—it would involve some snooping on the part of social welfare workers, probably at the corner grocery store, to find out how the people were getting on together. If I am incorrect in my understanding, I should like the minister to explain the meaning of this amendment before we conclude debate on this section. I am one who is very concerned about that sort of thing in every aspect of life because I believe in the rights of the individual.

In conclusion, I want to say a word or two about the concluding paragraph of this report which appears on page 122. It reads:

> The real problem with this simplified version of the marriage breakdown theory is an extremely basic one. How long a period of separation should be required before a husband or wife can ask the courts for a divorce? The witnesses proposing the inclusion of separation as a grounds for divorce in some system or another, have suggested various periods of time ranging from two to seven years. Similarly, the Mortimer group in England thought three years; the members of the English Royal Commission on Marriage and Divorce (1951-1955) believed seven years to be a reasonable time. If the period chosen is too short, the parties might rush into a divorce without having time to recover from either a violent matrimonial quarrel or a passing affair or infatuation. Nor might they have time to consider whether the difficulties in their marriage were capable of solution.
>
> On the other hand, if the period is a relatively long one, say three years, what becomes of those who presently can obtain divorces on the ground of outrageous conduct by their spouse? Must they have to wait three years? It seems unlikely that a period could be agreed that would render justice to all parties in both categories. Therefore, it does not seem possible that breakdown could constitute the sole and comprehensive ground.

I accept that statement.

> If the period of separation is to be more than six months, then it can only offer a practical solution if it is coupled with other grounds which would provide more rapid relief. This is not to reject marriage breakdown ideas completely. Far from it. The introduction of it through the ground of separation is discussed in the following section of the report.

I just want to say there is no question but that the introduction of this bill is a great step forward toward the curing of growing social difficulties in Canada. We give the minister credit for that. I suggest we should get experience from the application of this bill and as a result of that experience on the part of the federal and provincial governments as well as the courts, we can come to some conclusions which would make it easier to amend this act, with all respect for the marriage ties.

• (10:20 p.m.)

Amendment (Mr. Brewin) negatived: Yeas, 15; nays, 73.

The Chairman: I declare the amendment lost. Shall clause 3 carry?

Mr. Lambert: Mr. Chairman, this afternoon on second reading I raised certain questions about the thinking of the government on the introduction of a series of what were considered to be matrimonial offences. For example, I referred to the provision in (c) "has gone through a form of marriage with another person". In suing for divorce under that provision all one would have to do would be to prove the marriage ceremony, or the purported marriage ceremony, whether innocent or culpable.

The minister shakes his head. I do not know how much practice he has had with regard to this kind of matter, but there are cases of persons entering into a form of marriage believing themselves free to do so, and there have been no actual sexual relations. This is not the ground in paragraph (c); its provisions relate to a person who has gone through a form of marriage with another person whether entitled to do so or not.

I wonder why this ground of divorce is being introduced. This afternoon I asked the minister why incurable insanity was not included as a ground and I received no answer. At least if the minister answered I was not present to hear him. I wonder where in this bill there is any provision to grant relief in a case where one of the parties becomes incurably insane. Grounds for less serious matters are included in the bill. For instance where a person has become an alcoholic or a drug addict for a period of

three years and there is no reasonable expectation that he will be rehabilitated within the reasonably foreseeable future, relief is granted.

Again, I put strictures on such types of interpretation. Under this legislation a person who is married to an alcoholic, for whom in the reasonably foreseeable future there is no cure, is granted relief. Where the husband is the alcoholic the legislation will grant to the wife the right to a divorce. In another case, next door perhaps, where the husband has become incurably insane, the law will not grant the wife any relief. Does the minister say, perhaps, that under clause 9(3) there is a backdoor way out in a case of incurable insanity? I should like to hear the minister's reactions to these propositions.

Mr. Trudeau: With respect to the first point, which has to do with clause 3(c), the form of marriage. As the hon. member assumed, that clause was included in order to facilitate proof of this offence. Take the case where a husband has left the country and has gone to live in some other country with some other person.

Mr. Nielsen: Tibet, say.

Mr. Trudeau: If this clause were not included the petitioner would have to go to the expense, trouble and difficulty of proving an adulterous relationship with the co-respondent. As a result of the inclusion of this clause the petitioner need only bring some kind of certificate to show that the respondent has gone through a form of marriage. The difficulties with respect to proof are largely avoided.

Mr. Nielsen: May I ask a question. When the cabinet considered the wording "has gone through a form of marriage" did it intend that that form of marriage should be a form of marriage that is recognized by Canadian law?

Mr. Trudeau: I should not give away secrets of cabinet. Let it suffice to say that "form of marriage" was used precisely to indicate that it could be a kind of marriage ceremony or relationship which is not provided for under our law, but which corresponds to our general concept of marriage.

• (10:30 p.m.)

There could be any type of marriage which is recognized in another country, which would have the effect of a bigamist relationship. But once again it is in order to avoid the proof of adultery that we use this expression "form of marriage" as attested by whatever documentary evidence is admissible in our courts, as to the existence of some marital relationship elsewhere.

On the other point of incurable insanity, I can only indicate to the hon. member for Edmonton West that this particular case would be solved by clause 4(e)(i). If the petitioner was not living separate and apart for three years from the person who is incurably insane, or who indeed is inflicted with any incurable disease—it could be physical as well as mental—we are asking parliament to assume he did not want a divorce.

A husband or wife, out of Christian charity and out of love for their spouse, may decide to live with the afflicted or diseased partner. As a matter of fact I hope this will happen in a great number of cases and that the parties will not be encouraged to separate under this legislation, merely because we permit a divorce at the end of three years. We are assuming that a great many people will continue to live with their spouses despite the fact that their spouses are ill. But we are saying in this bill that if one of the parties decides not to live with the other sick party, and has not done so for three years, then we take this as evidence of marriage breakdown.

Therefore you have the three year test here, the same as in the narcotic or alcholic case, the difference being that in one case they do not have to live separate and apart, while in the sickness case they would have to live separate and apart. The problem raised by the hon. member is met in this way. I think the government showed some distaste for spelling out the sickness case, lest it appear to assume that the parties would be deciding to separate merely because one of them was incurably ill. But it is certain if that is the case, and they do decide to separate, their divorce will become possible under clause 4(e)(i).

Mr. Lambert: Mr. Chairman, I know that most marriage ceremonies include the words, as mentioned by my learned colleague from Queens, "in sickness and in health until death do us part," but I am just wondering whether it is quite right, if we are going to go to this extent in opening up the grounds for divorce, that the person who is married to an individual who becomes violently and incurably insane has to wait for three years under the provisions of clause 4(e)(i), as the minister has indicated. What is the rationale

in making that person wait for three years? After all, it is not the will of the parties which separates them. It is the state which takes the person who is incurably insane and puts him in a mental hospital or asylum. That is a forcible living apart caused by illness, but with the sanction of the state. In those circumstances what would justify the waiting period of three years? The waiting period of three years with regard to the alcoholic and drug addict does not specify that they shall have lived apart for that time.

Mr. Trudeau: There is no magic in the three years. We have taken this test, and I think it is a rather conservative one, as indicative of a decision of the parties to seek divorce. If one looks at the ground for divorce under the English law he will find that it is unsound mind or continuously under care for five years. In Australia it is unsound mind and unlikely to recover, and has been confined for a period in the aggregate of five years. In New Zealand it is unsound mind for an aggregate of seven years out of the previous ten. These are not magic figures. We are using a rather liberal figure of three. I suppose I have no explanation other than to say that we want to be a little more liberal than some of these other countries. I have other examples from other countries, but I do not wish to take up the time of the house now.

Mr. McCleave: Mr. Chairman, as a member of the committee which had something to do with the drafting of clause 3 (c) in its original form, I might say that some of us were aware of cases before parliament involving, for example, a Nevada type of divorce which the party who remained in Canada found could not be recognized here. This party did not have to prove that the divorce had gone through, but had to prove that the other person had been involved in adultery or sexual intercourse with another person. This meant that the party was involved in the old detective situation. This meant that hundreds of dollars were involved in having to fly detectives to Nevada, or wherever the person had wound up. This might add $1,000 or more to the cost of the petition. We thought it was high time that a situation of that kind was cured. In today's world, especially when dealing with 50 different types of divorce jurisdictions in the U.S.A. alone, we thought it was high time something was done about this situation.

Clause agreed to.

On clause 4—*Additional grounds.*

Mr. Bell (Carleton): Mr. Chairman, subclause (1) (d) of clause 4 intrigues me. It permits a divorce on the ground that the marriage has not been consummated. I confess I am one of those innocents who always believes there is no marriage unless it is consummated. How can you dissolve an unconsummated marriage on the ground of divorce? This is something which passes my understanding. I think the minister has nullity and annulment confused with divorce in this regard. I believe, as well, he has become involved in some difficulty in relation to recognition, domicile and other aspects relating to the matter of nullity versus divorce, or annulment versus divorce. I do not intend to raise the issue at this hour of the night or to pursue it to any extent, but from a legal concept I believe subclause (d) makes absolute nonsense of the law which hon. gentlemen in this house who have been trained in the law have learned at a variety of law schools.

Mr. Trudeau: Mr. Chairman, I think I can answer that briefly. If one looks further on in the bill at clause 26 (2) he will find that this repeals all other laws respecting divorce but that this repeal provision does not repeal the law to the extent that it constitutes authority for other matrimonial causes. This clause 4 (1) (d) is necessary to catch the so-called annulment cases or non-consummation cases which are not caught by the annulment clauses of existing legislation.

• (10:40 p.m.)

I will give one example. Under the civil code in the province of Quebec you can obtain an annulment for non-consummation when there are physical defects and so on, provided you demand it within a period of three years. If you do not, your right for annulment under the civil code is lost. This present provision would help people who had lost the right under the civil code. They could still act under this law, and that is the reason we have this type of change. While I am on my feet—

Mr. Lambert: May I interpose a question here? I am wondering why we should try to relieve laches in this way where the provincial code imposes a penalty for laches with regard to bringing an action under voidable grounds? After all the marriage that is nonconsummated is not void *ab initio,* it is merely voidable. The minister fully understands what we are talking about, even if some of

the technical legal terms escape other hon. members. Why in these particular instances should we include this one ground in respect of a voidable marriage? Why not include as well the legal incapacity to enter into a marriage which, of course, is a ground for annulment, and the other grounds? The rationale would be the same. I cannot see why we should cure with this bill those laches which are imposed by the Quebec civil code, if they are retained in respect of a time limit. We have this in other jurisdictions as well. Why are you relieving the situation in this respect?

Mr. Trudeau: For the very simple reason that we are providing a double remedy for failure to consummate because of physical impotency, one remedy being annulment, and the other being divorce because of marriage breakdown. This does not apply to non-consummation because of wilful refusal. In the case of wilful refusal only the divorce remedy would apply. In the province of Quebec, for instance, you cannot get an annulment even within three years because of wilful refusal when obviously there is no physical impotency. Under this hypothesis if a person had never consummated the marriage and refused to do so for a period of three years the remedy of divorce would apply.

Mr. Peters: I should like to support this amendment for a different reason. From what was said at the committee hearing and from my own experience in this regard, the part with reference to refusing to consummate the marriage relates to another problem which came to our attention. I refer to the example of a homosexual for reasons of convenience getting married and not consummating the marriage. This has happened in a number of cases and it is almost impossible under any circumstances to find a remedy in any period of time. It seems to me this will solve this problem, particularly if it means what I as a layman consider it to mean.

Mr. McCleave: I wanted to ask the minister to answer a question I raised during second reading. Would not (e)(ii) of clause 4 be more clear if it read "by reason of the desertion by the petitioner"? I take it that the victim of desertion has the remedy within three years, but the person who deserts is given a remedy after five. I think the clause might be better phrased.

Mr. Trudeau: Mr. Chairman, I thank the hon. member for Halifax for having raised this point at the second reading stage. I did promise to clarify the wording of this paragraph and I have done so by an amendment which is very slight but which is, I think, the one desired for clarification purposes by the hon. member for Halifax. The amendment is:

That the English version of Bill C-187 be amended by striking out line 23 on page 4 and substituting the following:

(ii) by reason of the petitioner's desertion of the respondent,

In French it would be:

Que la version française du bill nº C-187 soit modifiée en supprimant la 29e ligne de la page 4 et en la remplaçant par ce qui suit:

(ii) à cause de l'abandon de l'intimé par le requérant,

I have copies of this amendment, Mr. Chairman. I so move.

Mr. McQuaid: Mr. Chairman, I wonder if I could inject a note of caution at this stage of the proceedings. First of all, has paragraph (c) been carried?

The Assistant Deputy Chairman: Order. The committee heard the amendment read by the minister. Shall the amendment carry?

Amendment agreed to.

Mr. McQuaid: Paragraph (c) bothers me a little, Mr. Chairman. It provides that the marriage shall be deemed to have broken down if, for a period of not less than three years immediately preceding the presentation of the petition, the petitioner has had no knowledge of or information as to the whereabouts of the respondent, and so on. I am wondering whether, as a matter of precaution, it would not be advisable to insert in there that some reasonable effort must first have been made to acquire the knowledge.

This provision makes it unreasonably easy for a petitioner to go into court and simply say: I do not know where my spouse has been for the past three years. Having said that, the marriage is deemed to have broken down—

Mr. Lewis: What about the last words of that paragraph?

Mr. McQuaid: The last words are "throughout that period, has been unable to locate the respondent." I suggest that the petitioner should establish that he or she has made some reasonable effort to locate the other spouse. I suggest that words to the following effect should be inserted somewhere in the clause, "having first made reasonable efforts to acquire the knowledge", or,

"having first made some reasonable effort to locate the other party."

An amendment of this sort would not seriously affect the bill. While we all agree that worthy cases should be given relief, I think some precaution must be taken to protect the marriage state and not make divorces too easy to obtain. I do not think this would be an unreasonable burden to place upon a petitioner, namely to show that he or she has made some reasonable effort to acquire knowledge as to where the other spouse has been, and that he or she has made some reasonable effort to locate the other spouse.

Mr. Trudeau: Here again, Mr. Chairman, I agree with the intention of the hon. member, but I suggest we have made this kind of provision in clause 9 (1) (a), where it is provided that the duty of the court is to refuse a decree which is based merely upon the consent, admissions or default of the parties or either of them. If the court considers that the lack of knowledge or information is not bona fide, I think it will be compelled under clause 9 to refuse the decree.

• (10:50 p.m.)

Mr. Basford: Mr. Chairman, may I ask the minister how wedded he is to the three year period mentioned in clause 4 (e). It seems to me that one year would be a sufficiently long period of time and would serve the purpose of protecting children not yet born at the time of separation. I wonder if the minister would accept an amendment for two years, which would be a compromise.

Mr. Trudeau: Mr. Chairman, I repeat that there is no magic in this figure of three. It is the figure which has been suggested by the joint committee. Subclause (e) mentions three years, subclause (a) mentions two years where the spouse is in prison and subclause (d) mentions not less than one year in the case of non-consummation. Here again I can only say that we have not been unduly severe. In the British law the period for desertion is three years. Frankly, we are not wedded to this time period, but we have given consideration to the various periods possible and we thought that three years would be a good start. The hon. member realizes that if we were to change the three year period in this subclause, consequent changes would have to be made in the other subclauses.

Mr. Brewin: Mr. Chairman, I should like to ask the minister a question on subclause 2 which provides—

> —where the existence of any of the circumstances described in subsection 1 has been established, a permanent breakdown of the marriage by reason of those circumstances shall be deemed to have been established.

The minister is aware that there are presumptions in law which are rebuttable, and there are irrebuttable presumptions. That is to say there is a presumption which exists until it is disproved, or there is a presumption which cannot be disproved by evidence to the contrary. I wonder which form of presumption is referred to here. I call the minister's attention to the following words in subclause 9 (d):

> —where a decree is sought under section 4, to refuse the decree if there is a reasonable expectation that cohabitation will occur or be resumed within a reasonably foreseeable period.

I would assume that subclause 2 creates an irrebuttable assumption that the marriage has broken down, but it might be useful to clarify this and I invite the minister to do so.

Mr. Trudeau: Mr. Chairman, this subclause is clearly a precautionary one. We are just stating that the court in certain circumstances must come to the conclusion that there is a breakdown. The law could have been written without this clause, but we wanted to make it clear that it was the obligation of the court in certain circumstances to reach the conclusion that there was a breakdown in the marriage. This does not prevent it from acting under other clauses. Once again this is perhaps an excess of zeal on the part of conscientious draftsmen, but I think the clause may be useful and is certainly not harmful.

Mr. Gilbert: Mr. Chairman, I should like to ask the minister a question with regard to clause 4 (1) (a) (i) and (ii) in which the words "the respondent has been in prison for a period of not less than two years" appear. Does it constitute actual time spent in prison and does it take into account time off for good conduct or parole?

Mr. Trudeau: I think the way the clause reads, it is the actual time spent in prison. If there has been a parole or a pardon, obviously the physical separation would not have taken place.

Mr. Cowan: Mr. Chairman, I had not intended to take any part whatever in the discussion of this divorce bill. However, since the house has seen fit to grant an extra hour to discuss it, there is a point or two which I

want to comment upon. Now, clause 4 (1) (b) reads:

—the respondent has, for a period of not less than three years immediately preceding the presentation of the petition, been grossly addicted to alcohol or a narcotic, as defined in the Narcotic Control Act, and there is no reasonable expectation of the respondent's rehabilitation within a reasonably foreseeable period;

This is not the first time that this mundane parliament has discussed a moral question. Recently we were adjured and advised that people were beyond the pale if they did not spend the rest of their lives in reforming criminals. I presume a person who is considered to be grossly addicted to alcohol or a narcotic must be considered a criminal since he must have had at least one conviction if not more registered against him.

In view of the great moral lectures that were read to us in the very recent past, I should like to quote from a speech delivered by Sir Winston Churchill in the British House of Commons some years ago when he was Home Secretary:

The mood and temper of the public with regard to the treatment of crime and criminals is one of the most unfailing tests of the civilization of any country. A calm dispassionate recognition of the rights of the accused, and even of the convicted criminal against the state; a constant heart-searching by all charged with the duty of punishment; a desire and an eagerness to rehabilitate . . .; tireless efforts toward the discovery of creative and regenerate processes; unfailing faith that there is a treasure, if you can find it, in the heart of every man. These are the symbols which . . . mark and measure the stored-up strength of a nation . . . proof of the living virtue in it.

Then, a few years ago, in an article in the *New Statesman*, Anthony Storr made the following statement:

To condemn him as inhuman is to fall into the trap of treating him as he treated his victims; as a thing, not a person, a thing on whom we can let loose our own sadistic impulses, not a fellow creature who might, even yet, be redeemed.

As the South African writer Alan Paton once wrote:

—but to punish and not to restore, that is the greatest of all offences.

A few weeks ago, in discussing one aspect of moral law, we were asked to spend the rest of our lives reforming certain people. In this bill, introduced by the same cabinet, we are told to spend three years and at the end of three years we are to come to the conclusion that there is no hope for this criminal. Therefore he can be deprived of his spouse. If we are going to read moral lectures to the public of Canada to the effect that they must spend the rest of their lives reforming criminals, why should they not spend the rest of their lives reforming those people addicted to narcotics or drink as specified in this bill?

This bill imposes a three year limit, and at the end of three years we will show the criminal what we will do to him. We are going to deprive him of his spouse. I was brought up on the old principle that what is sauce for the goose is sauce for the gander. I do not like duplicity. I do not like hearing people use an argument one day to the effect that we must spend the rest of our lives reforming those who are unreformable, and then the next day be presented with a bill to the effect that at the end of three years we conclude there is no reasonable expectation for rehabilitation of a person within a reasonably foreseeable period. In so far as one type of person is concerned, we spend eight years, ten months and one day reforming him, but we are told that after three years we can come to the conclusion there is no reasonable expectation for rehabilitation of this other type of person within the foreseeable future.

Shall I call it eleven o'clock, sir?

• (11:00 p.m.)

The Deputy Chairman: Order. It being eleven o'clock shall I rise, report progress and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Fulton: Tomorrow?

Mr. MacEachen: Tomorrow, Mr. Speaker, we will continue with this bill.

Mr. Bell (Carleton): And after that?

Mr. MacEachen: The broadcasting bill.

The Acting Speaker (Mr. Tardif): Pursuant to the order made earlier this sitting the house stands adjourned until 2.30 p.m. tomorrow.

It being three minutes after eleven o'clock the house adjourned, pursuant to special order.

HOUSE OF COMMONS

Tuesday, December 19, 1967

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

First report of standing committee on health and welfare—Mr. Harley.

Third report of standing committee on justice and legal affairs—Mr. Cameron (High Park).

FINANCE, TRADE AND ECONOMIC AFFAIRS—CONCURRENCE IN SEVENTH REPORT OF STANDING COMMITTEE

Mr. H. E. Gray (Essex West) presented the seventh report of the standing committee on finance, trade and economic affairs and moved that the report be concurred in.

Motion agreed to.

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

PROCEDURE—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved that the first report of the special committee on procedure of the house, presented to the house on Monday, December 11, be concurred in.

Motion agred to.

PROCEDURE—CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved that the second report of the special committee on procedure of the house, presented to the house on Monday, December 11, be concurred in.

• (2:40 p.m.)

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, in its second report, the special house committee on procedure recommends that its members be authorized to visit the United Kingdom in order to study the procedure followed over there.

I am all for improving the present procedure of the House of Commons in Ottawa. However, I ask the minister responsible for that committee to tell me one thing. Is it merely a question of making a trip, or will the government make last minute changes in the membership of the committee, so that, finally, those chosen for the trip will not be the regular committee members, or will those who sat on that committee since the beginning of the session be going?

If it is simply a question of authorizing a trip and having the government taking this opportunity to change the membership and reward those who always accept the decision of the caucus, then, I do not agree and I shall not accept this report.

If it is a question of sending the true members of the committee without changing the membership in any way, and without replacing by other members those who were sitting on the committee two or three weeks or a couple of months ago, in short if it is a question of sending those who have always attended the sittings, then, Mr. Speaker, I have no objection.

That is why I would ask the minister if there will be any changes on the membership of the committee? Will others rather than the members regularly sitting on the committee be sent? Will some be sent simply as a reward or will the original members of the committee really go to work seriously?

That is what I would like to ask the minister and I believe that he should tell us if he intends to make changes in the membership just before the departure for the United Kingdom, so that this will be a reward for those who have served the party well?

I should like to have an answer from the minister on this.

[*English*]

Mr. Speaker: I should bring to the attention of hon. members that by making his motion the minister has already spoken. It is only by leave of the house that he can reply to the question asked by the hon. member. Is this agreed?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, we do have a hard working procedure committee, and it is the intention that the members of the

committee will continue their work by making this visit to the parliament of the United Kingdom. I cannot give the hon. member any assurance that as chairman of the committee I might not have to cancel my own trip.

Mr. Knowles: Explain.

Mr. MacEachen: However, other hon. members will go.

Motion agreed to.

PROCEDURE—CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved that the third report of the special committee on procedure of the house, presented to the house on Monday, December 11, be concurred in.

Motion agreed to.

HOUSE OF COMMONS

CANADIAN REPRESENTATION AT FUNERAL OF LATE AUSTRALIAN PRIME MINISTER

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce as the senior member of the government in the house at the moment, and ask whether it is the intention of the government to send anybody to Australia to represent Canada at the funeral of the late Prime Minister.

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I thank the Leader of the Opposition. It is the intention of the government to send the Minister of Indian Affairs and Northern Development to represent the government of Canada on that sad occasion.

THE CANADIAN ECONOMY

SUGGESTED RECONSIDERATION OF RECENT FISCAL POLICIES

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the report of the Dominion Bureau of Statistics that non-agricultural production in Canada rose by only 2.8 per cent in real terms in the first nine months of this year as compared with an average annual increase of 4.8 per cent in the preceding 20 years, is the minister prepared to reconsider the fiscal policies he has recently introduced which threaten to still further slow down the economy?

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker. The present developments in the economy are pretty much as I had predicted them in my budget addresses both in June and recently.

[*Translation*]

SHIPBUILDING

REPRESENTATIONS RESPECTING COMPETITION FROM ABROAD

On the orders of the day:

Mr. Roland Godin (Portneuf): Mr. Speaker, I intended to put a question to the Minister of Transport but, in view of his absence, I shall address it to the Minister of Trade and Commerce. Have members of the Canadian shipbuilding industry recently advised the government of the difficulties they are experiencing, and can the government tell us if they intend to levy a tax on ships built abroad and sold in Canada?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): I do not think so, Mr. Speaker, but I will take the question as notice.

[*Translation*]

Mr. Godin: Mr. Speaker, may I ask a supplementary question? Have Canadian maritime companies complained about the unfair competition of foreign ships in our inland waters, and what steps does the government intend to take to rectify this situation?

[*English*]

Mr. Winters: Naturally there have been some complaints, Mr. Speaker, but anything that is done will be a matter of government policy to be announced in the usual way.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, may I put a supplementary question to the Minister of Manpower and Immigration?

Have special steps been taken in order to provide work for the 800 employees of the Davie Shipbuilding Company in Lévis, who have recently been laid off because of the austerity program implemented by the Minister of Finance?

Hon. Jean Marchand (Minister of Manpower and Immigration): Mr. Speaker, my department has a number of manpower programs: mobility programs, retraining programs, employment programs, etc. Shipyard workers may benefit from all those programs just like any other workers.

[*English*]

CANADA LABOUR CODE

PROPOSED TERMINATION OF DEFERMENTS GRANTED RAILWAYS

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, in the absence of the Minister of Labour I should like to address my question to his parliamentary secretary, to whom I have sent notice. In view of the continuing lay-offs of employees by Canada's railways, could the parliamentary secretary report on the progress made in the discussions with unions and management regarding termination of the existing deferments respecting hours of work on Canadian railways?

Mr. B. S. Mackasey (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I thank the hon. gentleman for his usual courtesy in notifying me of this question ahead of time. I have found that negotiations going on at the present moment between management and labour are proceeding satisfactorily, and the conclusion of the department is that some agreement could possibly be reached within the next few weeks.

Mr. Johnston: I have a supplementary question, Mr. Speaker. In view of the answer given by the parliamentary secretary, if the railways continue their present policy of laying off long term employees with little notice and no severance pay or alternate employment, will the government consider issuing an order to end the deferments, or state a date on which they will be ended?

Mr. Speaker: Order, please. The hon. member's question is hypothetical.

EXTERNAL AFFAIRS

PARTICIPATION OF FRANCE IN NUCLEAR ENERGY RESEARCH IN QUEBEC

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of both the Secretary of State for External Affairs and the right hon. Prime Minister perhaps I may direct my question either to the Acting Prime Minister or to the Minister of Energy, Mines and Resources. I should like to know whether the government is now in a position to reply to the question I asked yesterday, as to whether there is in the cultural agreement between Quebec and France a provision regarding a joint enterprise in the development of uranium in that province?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, I was told the Secretary of State for External Affairs would answer this question today. Since he is not here I presume he will do so tomorrow.

[*Translation*]

Meanwhile, may I give some information regarding the research done in Quebec to discover uranium.

Under the regulations of the Atomic Energy Control Board any individual or corporation which discovers an ore deposit containing more than .05 per cent of uranium must advise the board. If such individual or corporation wishes to proceed with the exploration of that deposit, it must obtain from the board a licence to that effect. One of the conditions of issuance of this licence is the filing of regular reports to the board.

In 1967, 17 companies were granted such exploration licences in Quebec territory, mainly on the north shore and in the Mistassini area and, up to now—according to my officials' statement which was also confirmed yesterday by the deputy minister of the Quebec department concerned—none of those explorations has shown any deposit economically worthwhile, in view of the present conditions of the demand with regard to uranium and the price at which it is sold at the present time in the world. Of course, this could change.

[*English*]

Mr. Fulton: May I ask a supplementary question, Mr. Speaker. In respect of the companies that have these licences to which the minister just referred, are any of them or all of them consortiums in which the government of France is participating?

Mr. Pepin: It is very difficult to know. I have the 17 names, but as hon. members realize it is sometimes quite difficult in this industry to ascertain who is behind a name. The information I have from my officials is that some French companies are in there. It would be difficult for me to establish exactly

the relationship between those companies and the government of France. I might add, for the information of my colleagues, that at least a French company is also at work in other parts of Canada, which would seem to imply that the French are interested in uranium as such, in the whole of Canada.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question to the Minister of Energy, Mines and Resources.

Would the minister tell us whether he has objections to the development by France of a uranium mine in Quebec and whether, in view of the fact that natural resources come under provincial jurisdiction, he, as a federal minister, has a say in this matter?

Mr. Pepin: Mr. Speaker, I have already explained that. I have no objection to that, on the contrary, but the rules of the Atomic Energy Control Board must be complied with and I just pointed out that, in fact, these rules were being adhered to.

Mr. Grégoire: Mr. Speaker, may I ask another supplementary question?

In view of the fact that natural resources come under provincial jurisdiction, and should a conflict arise between the Atomic Energy Control Board and the provincial authorities about natural resources, can the minister tell us what jurisdiction would prevail?

Mr. Speaker: That question is obviously hypothetical.

[*English*]

Mr. J. R. Keays (Gaspé): I should like to direct my question to the Minister of Energy, Mines and Resources. I wonder if he can answer my question of yesterday concerning any information he may have as to visits by French officials to these uranium prospecting areas in Quebec. At the same time, Mr. Speaker, I believe the Minister of Industry was ready to give us some information in relation to the first question posed by the hon. member—

Mr. Speaker: Order, please.

[*Later:*]

Mr. Keays: I wonder if I could ask the Minister of Energy, Mines and Resources if he can reply to my question of yesterday.

Mr. Pepin: Which one?

[Mr. Pepin.]

Mr. Keays: A supplementary question, Mr. Speaker. I asked the minister whether he had any information concerning any official visits by members of French delegations to probable uranium deposit areas in the province of Quebec.

[*Translation*]

Mr. Pepin: No, Mr. Speaker, but I imagine that French citizens can travel in Quebec without getting my permission.

[*English*]

[*Later:*]

Hon. Michael Starr (Ontario): My question is for the Minister of Energy, Mines and Resources. To disperse the confusion that seems to exist, could the minister tell me whether the mining of uranium comes under federal or provincial jurisdiction?

Mr. Speaker: Order, please. This type of question certainly may not be asked at this time.

[*Translation*]

Mr. Grégoire: Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: Order. The question having been ruled out of order, the hon. member cannot ask a supplementary.

[*English*]

Hon. C. M. Drury (Minister of Industry): As Acting Secretary of State for External Affairs I might advise the hon. member for Kamloops, in respect of the activities in Quebec in relation to uranium, that no formal agreement was concluded between France and Canada, or France and Quebec, as a result of the visit of the French minister of education, Mr. Peyrefitte to Quebec last September. The communiqué issued at the end of that meeting indicated that arrangements would be put into effect to promote co-operative studies and research on a variety of subjects including hydrology, electrical energy, nuclear energy, computer systems, electronics, Quebec northern development, forestry, fisheries and geophysics. There was no indication that any formal arrangements had been made with regard to uranium mining.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

I should like to ask the Minister of Energy, Mines and Resources or the Minister of Justice, as the case may be, if it is the gov-

ernment's intention to make a statement in the near future with respect to the authority that will have jurisdiction over Quebec's uranium. Will it be under provincial jurisdiction or under the authority of the Atomic Energy Control Board?

Mr. Speaker: Order. The hon. member is only repeating a question which was asked a minute ago and which was ruled out of order.

Mr. Grégoire: Mr. Speaker, with your leave I should like to ask a completely different question. Does the government intend to make a statement soon—

Mr. Speaker: Order. If the hon. member feels his different question is urgent, he could give notice that he intends to discuss it on the adjournment motion.

Mr. Grégoire: Mr. Speaker, if I believe the matter is urgent and I give notice of it, then it is urgent, and the minister ought to reply to it.

[*English*]

Mr. Starr: I have a question for the Minister of Energy, Mines and National Resources. Would the hon. gentleman tell us whether uranium mining comes under his jurisdiction?

Mr. Speaker: Order. This is a type of question which an hon. member cannot ask. Questions cannot be asked when they call for an interpretation of the law or the distribution of ministerial responsibilities.

Mr. Starr: On a point of order, if we are not able to ascertain what jurisdiction a minister has we are under a considerable handicap in directing our questions correctly. I think this point must be cleared up before we can ask any further questions on this subject.

Mr. Speaker: There are quite a number of questions which have already been asked on the subject.

Mr. Starr: And I am asking one more of the Minister of Energy, Mines and National Resources. Does uranium mining come under his jurisdiction?

Mr. Speaker: Order. I have already suggested to the hon. member that the question cannot be asked at this time. If he thinks it can or should be asked, there is a rule of the house which says he can give notice and discuss the matter at the time of the adjournment this evening, and have the matter settled at that time.

Mr. Erik Nielsen (Yukon): Can the minister advise us whether it is the intention of the government to alter the policy which brings uranium mining under his jurisdiction?

Some hon. Members: Oh, oh.

Mr. Speaker: This subject seems to be of great interest to a number of hon. members; it might be easier to get a reply from the minister. The question has been asked by a number of members now. Apparently the minister does not want to answer it.

Mr. Nugent: May I ask the minister whether he claims jurisdiction over uranium mining?

Mr. Turner: On a point of order, I wonder if I might refer Your Honour—

Mr. Speaker: Order. I suggest to hon. gentlemen that there is really no point in discussing the point of order.

Mr. Starr: I rise on a question of privilege. I intend to do so on behalf of the Minister of Energy, Mines and National Resources.

An hon. Member: He can speak for himself.

Mr. Starr: He certainly wishes to clear up this situation so the facts may be known to all the people of Canada, including hon. members of this house. I understood he was ready to answer and tell us whether uranium mining comes under his jurisdiction.

Mr. Speaker: As I said a moment ago, in view of the interest shown by so many hon. members the minister may answer if he wishes.

Mr. Pepin: I do not wish to give a legal opinion. I will simply say that I am responsible to parliament for the atomic energy control board which, because of the security aspects, has the responsibility of implementing regulations in connection with the exploitation of uranium.

Mr. Starr: Because uranium is of national interest.

Mr. Speaker: Order, please. Could we go on to another subject? The hon. member for Ontario will recognize now that he was asking a question which called for an interpretation of statutes. It is clear that this type of question cannot be asked.

Inquiries of the Ministry

Mr. Keays: May I ask the Acting Prime Minister whether he knows of any French financial assistance being given to the province of Quebec in connection with education?

Mr. Speaker: Order. The hon. member is repeating a question which has already been asked.

NATIONAL CAPITAL

PROPOSED TRIPARTITE COMMITTEE ON FEDERAL DISTRICT

On the orders of the day:

Mr. Roger E. Régimbal (Argenteuil-Deux-Montagnes): I should like to address my question to the Acting Prime Minister. On December 4 the Prime Minister announced the creation of a tripartite committee to make recommendations concerning a federal district for the national capital. My questions are the following. Have the nominations to that committee now been made by the parties involved? Has any action been undertaken by the committee as yet, or is any action being contemplated in the near future?

Mr. Speaker: Order. The hon. member knows he can ask only one question, not a series of questions.

Mr. Régimbal: Could we take them one at a time? Have all nominations to that committee been made by the parties involved?

Hon. Robert Winters (Minister of Trade and Commerce): I think I can answer all three questions, Mr. Speaker, by saying a great deal of work has been done in this connection. I prefer, however, if the hon. member does not mind, to take the questions as notice and leave it to the Prime Minister to reply.

FINANCE

INTERNATIONAL GOLD TRANSACTIONS TO SUPPORT DOLLAR

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): I should like to address a question to the Minister of Finance. Yesterday, in reply to my question concerning the support of the United States dollar, the minister said the Canadian government had not been asked to join the gold pool. My question is, has Canada been asked to render any other assistance in support of the United States dollar as a medium of international exchange, or are we to stand idly by as apprehensive watchers?

[Mr. Speaker.]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I believe the United States government, which is the primary supporter of gold, is very happy with Canada's role at the present time.

Mr. Lambert: As a supplementary question, Mr. Speaker, may I ask the minister what precisely is Canada's role?

Mr. Sharp: Mr. Speaker, I believe the statements I have made are quite clear.

Mr. Lambert: In other words, nothing.

SEARCH AND RESCUE

NEWFOUNDLAND—INQUIRY AS TO MISSING PLANE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I have a question for the Minister of Transport. On December 7 I asked him if any trace had been found of the missing aircraft which left St. John's, Newfoundland for St. Anthony on November 29. Would the minister please advise the house whether any trace has been found of the missing aircraft, and whether the search has been officially called off?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the air force and the coast guard co-operated in a massive search for this aircraft. Unfortunately no trace of the aircraft, the pilot or the passengers has been found. I was advised yesterday that the search operation had been terminated.

HIGHWAY SAFETY

INQUIRY AS TO SAFETY STANDARDS RESPECTING TIRES

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Transport. It has to do with automobile safety. Having in mind the tire and rim safety regulations which I understand are coming into effect in the United States on December 31, can the minister say what is the situation with regard to tire safety in Canada?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, the department is still in the process of organizing this branch. We are not yet in a position to establish definite standards, but I have asked the department to give priority to the establishment of tire safety standards in the development of the new program.

TRADE

REQUEST FOR ASSISTANCE TO EXPORTERS OF MARITIME PRODUCTS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Since approximately 25 per cent of the Nova Scotia apple crop is scheduled for export to Britain, have any steps been taken by the government to aid maritime apple, lumber and fish exporters who are looking for new trading agreements with British buyers that will enable them to hold on to their markets which have been weakened by the devaluation of sterling?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, there was an increase in the British apple quota some few weeks ago, and I think that was of considerable assistance to Canadian apple growers. We have been searching the markets of the world for outlets for our fish and lumber. Fortunately there has been some improvement there. However, devaluation has had an impact, and we will try to help compensate for that by searching for other markets.

GRAIN

WHEAT—INQUIRY AS TO INCREASED DELIVERY QUOTAS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce under whose jurisdiction the Canadian Wheat Board comes. Could the minister supply some information as to whether, by the end of the 1967 calendar year, the quotas for delivery of wheat will be increased, so the farmers would be in a better position to judge whether to deliver their grain before the end of 1967 or carry it over to 1968 for income tax purposes?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. member for giving me notice of this question. I can tell him that within the past few days the wheat board increased the quota to four bushels for 232 stations and this should accelerate the movement of wheat off the farms. As of December 18 there were 33 stations on the one bushel delivery quota, 546 on the two bushel quota and 1,045 on the three bushel quota. The Canadian Wheat Board has asked for the co-operation of the railways to give priority to those stations remaining on the lower quotas. The wheat board will authorize further quota increases as soon as sufficient space becomes available at individual delivery points.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I would like to ask the Minister of Trade and Commerce whether the government policy of guaranteeing $1.95½ for No. 1 northern wheat applies to each individual sale or contract, or does it apply to the over-all average of the pool for one year's operation?

Mr. Winters: Mr. Speaker, we are still working out the details, but as of now it applies to each individual contract.

Mr. Korchinski: Yesterday, in reply to a question of mine, the minister indicated that the matter of whether there would be a government subsidy—

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

Mr. Korchinski: Yes, a supplementary question for clarification because yesterday, in reply to a question of mine, the minister said this would be in connection with the over-all operation of a whole year. Does this apply in the case of all the Chinese wheat deals, in connection with the whole year's operation of the pool, or does this matter apply to the one contract?

Mr. Winters: Mr. Speaker, this would apply to the one contract, in the case of China. I thought the hon. member yesterday was referring to the over-all year's operation for wheat transactions.

Mr. Korchinski: A further supplementary question. In view of the fact that at the close of the 1965 pool prices generally were higher than $1.95½, and since from the beginning of the new crop year prices have been lower, will the minister prevail upon the wheat board—

Mr. Speaker: Order, please. The hon. member is making a representation to the minister; it is not a question.

Mr. Korchinski: Will the minister prevail on the board or will he make certain that the wheat pool is closed in such a way that the farmers do not receive lower prices for their grain?

Mr. Speaker: Order, please. The hon. member has made his submission.

Inquiries of the Ministry

[*Later:*]

Mr. Korchinski: May I direct another question to the Minister of Trade and Commerce in view of the fact that I may have fumbled the last one in my excitement, or something. Will the farmers not be receiving a lower price if the closing date of the current pool is deferred?

Mr. Speaker: Order. The question is argumentative.

Mr. Korchinski: Ten o'clock.

HEALTH AND WELFARE

PROPOSAL THAT MEDICAL SCHOOLS OPERATE YEAR ROUND

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I wish to direct a question to the Minister of National Health and Welfare. In view of the serious shortage of doctors and the imminence of medicare, has the minister had any communication with the universities in order that the medical schools may teach the year round, to meet the shortage?

Hon. Allan J. MacEachen (Minister of National Health and Welfare: No, Mr. Speaker. There has been no communication from the university medical schools with this objective in mind—no recent communication, at least.

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question, Mr. Speaker. Does the minister propose to bring the representation that has just been made to the attention of the medical schools in order that the possibility of medical schools being operated the year round may be studied?

Mr. MacEachen: I am sure, Mr. Speaker, that the authorities in the medical schools have considered these proposals. However, I shall be happy to make certain that they are drawn to their attention.

INDUSTRY

COPPER—REQUEST FOR REPORT ON PRICE INCREASES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): My question is for the Minister of Finance, Mr. Speaker. May I ask him whether the inquiry he has been making into the reason for the increased price of copper has yet been completed. If not, when does he expect that inquiry to be completed, and when will he make a statement to the house?

[Mr. Speaker.]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the Minister of Trade and Commerce and I are still conducting our inquiries. I hope to be able to make a report soon.

NORTHERN AFFAIRS

YUKON—INQUIRY AS TO WHITE PAPER ON CONSTITUTIONAL REFORM

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Minister of Indian Affairs and Northern Development. Since the Yukon legislative council adjourned yesterday pending the production of the government's white paper with respect to the constitutional reform of the Yukon, could the minister say when he expects the white paper to be finished and tabled in the house?

Hon. Arthur Laing (Minister of Indian Affairs and Northern Development): Mr. Speaker, when we met the Yukon council in Ottawa some two months ago I indicated that we were hopeful of having the white paper before the end of the year. I have since told them that it has been delayed, but that nevertheless we will hasten with it and endeavour to prepare it at the earliest moment possible. I will not be held down to any date in particular, but I should think it will be ready within the next two or three months.

SHIPPING

SYDNEY, N.S.—INQUIRY AS TO PILOTAGE STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is for the Minister of Transport. I have not sent him notice; possibly he may take this as notice. I ask it because quite possibly the matter may involve a hazard not only from the point of view of economics but also a marine hazard. Is it the intention of the department to remove the pilotage station from North Sydney—to change the base, in other words—or is the department's intention to completely remove the services of pilots from Sydney harbour?

Mr. Speaker: Order, please. It is difficult for the Chair to determine whether this is a matter of urgency. I realize that it may be most important. If the hon. member feels there is urgency he may wish to debate the matter at the time of adjournment.

Mr. Muir (Cape Breton North and Victoria): On a point of order, Mr. Speaker, there is urgency since the house may rise in a day or two, and since the matter that I raised in my question could come into effect before the end of the year. We have only one or two days left in which the minister can inform us as to the intentions of the department.

Hon. Paul Hellyer (Minister of Transport): I shall take the question as notice, Mr. Speaker.

NOVA SCOTIA

FEDERAL FINANCIAL RESPONSIBILITY FOR CONTINUED OPERATION OF STEEL MILL

On the orders of the day:

Mr. David Lewis (York South): In the absence of the Prime Minister, Mr. Speaker, perhaps I could address my question to the Minister of National Health and Welfare. In view of the reported widespread uneasiness among plant and managerial employees of Dosco, in Sydney, can the minister give the house any additional report about the part the federal government has undertaken to play in the takeover of the Dosco steel plant by the government of Nova Scotia and what commitment, if any, the federal government has made with respect to operations after April 30 of next year?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, as was understood following the recent meeting between the Prime Minister and the premier of Nova Scotia, the premier of Nova Scotia was to send forward in writing certain proposals which he had in mind for assistance from the government of Canada. I believe these proposals have arrived; I received a copy this morning. They will be considered, I am sure, very soon by the government.

Mr. Lewis: A supplementary question, Mr. Speaker. Does that mean that until now no commitment whatever has been made by the federal government, either for the period to April 30 or for the period after that?

Mr. MacEachen: A commitment has been made with respect to the period to April 30. The further period is a matter of consideration at the present time.

Mr. Robert Muir (Cape Breton North and Victoria): A supplementary question, Mr. Speaker. May I ask the minister whether, when the decision is made as to financial assistance for the province of Nova Scotia beyond the date he specified in his reply, the Goldwaterites in the cabinet will outweigh the left wing element?

Mr. Speaker: Order.

ADMINISTRATION OF JUSTICE

ESCAPE OF CONVICTED MURDERER FROM MINIMUM SECURITY INSTITUTION

On the orders of the day:

Mr. J. N. Ormiston (Melville): My question is for the Solicitor General, Mr. Speaker. Since a convicted murderer who was sentenced to life imprisonment escaped from a minimum security institution at Agassiz, British Columbia, may I ask whether convicts of this type are to be kept in minimum security institutions in the future, and what steps will be taken to prevent similar escapes.

Mr. Speaker: Order. I suggest that the hon. member should place this question on the order paper.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO RENEGOTIATION OF CANADA-U.S. AGREEMENT

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct my question to the Minister of Industry. Now that preliminary discussions have been held between Canadian and United States officials on the Canada-United States car pact, will the minister give the house the assurance that before changes or amendments are made to the existing pact the matter will be brought before a committee for discussion and will not be announced by way of a press release, as was the case when the original pact was announced?

Mr. Speaker: Order. I wonder whether the hon. member is asking a question which has been asked before. If not perhaps the minister might reply.

Hon. C. M. Drury (Minister of Industry): Though the original pact, which arose from the joint signatures of the President of the United States and the Prime Minister of Canada in Texas, was in fact announced by a press release, and though the Canada-United States agreement was tabled in the House of Commons and was, in substance and form, the subject of debate on a resolution, I can

give the house or the hon. member the concrete assurance that before the terms of the Canada-United States automotive agreement are altered or modified there will be an opportunity for discussion by members of the house.

NATIONAL DEFENCE

LEASING OF UNUSED AIRFIELD FACILITIES TO PRIVATE OPERATORS

On the orders of the day:

Mr. Ed. Schreyer (Springfield): May I direct a question to the Minister of National Defence. In cases where defence department airfield facilities, hangars in particular, are going unused or under-used, is it departmental policy to co-operate with regional air lines, air freighters and so on, by leasing such facilities at suitable rates?

Mr. Speaker: Order. This is a general question about general policy and it cannot be asked at this time.

PUBLIC SERVICE

ADJUSTMENT OF INTEREST PAID ON SUPERANNUATION ACCOUNTS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): May I ask the Minister of National Revenue or the Minister of Finance whether an answer is now available to the question I asked last Friday about applying a higher rate of interest to the superannuation accounts.

Hon. Mitchell Sharp (Minister of Finance): There is no intention at the present time to change the rate of interest.

DRUGS

REPORTED THREATS IF LEGISLATIVE AMENDMENTS ENACTED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Registrar General. Does the minister intend to make any comment concerning the open letter received by all members of parliament from the drug firm of Glaxo-Allenburys (Canada) Limited in which certain threats are made should the government proceed with its bill to amend the Patent Act and the Trade Marks Act?

Hon. John N. Turner (Registrar General): I have received a communication from the president of the company mentioned by the hon. gentleman. We have given his representations careful consideration, and it is my intention to deal with the matters raised in his letter when this house debates second reading of the bill in question.

Mr. William Dean Howe (Hamilton South): Can the minister assure the house that the government will not be blackmailed by any drug company through misleading information sent direct to members of parliament?

Mr. Speaker: Order. The question is argumentative.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed, from Monday, December 18, consideration in committee of Bill No. C-187, respecting divorce—Mr. Trudeau—Mr. Batten in the chair.

The Chairman: When the committee rose yesterday clause 4 as amended was under consideration.

On clause 4 as amended—*Additional grounds.*

Mr. Cowan: At eleven o'clock last night, when the house rose, I was making some comments on clause 4 of the divorce bill. Hon. members who were present, or who have looked at *Hansard* for yesterday, will be aware that I stated I do not like duplicity in any manner, shape or form. I shall be voting for clause 4, but I cannot allow it to pass without commenting on the actions of certain people who use one argument on one side of the fence one day and the same argument on the other side of the fence the next day.

• (3:20 p.m.)

As you will recall, when eleven o'clock was called I was emphasizing that we had been read homilies from Sir Winston Churchill, who spoke in the House of Commons and pointed out that we must spend all our time endeavouring to reform criminals. Sir Winston said that we must seek the treasure within the man, if we can find it, in the heart of every man. Then I read a statement by Anthony Storr which appeared in the *New Statesman*, in which he pointed out that to condemn a man is inhuman; it is to fall into the trap of treating him as he treated his victims, as a thing and not a person. The South African, Alan Paton, said "—but to punish and not to restore, that is the greatest of all offences."

I understand that I cannot refer to a previous debate in the House of Commons in the same session and I do not wish to transgress the rules of the house. However, I should like to remind hon. members that the Solicitor General stated we should never lose faith or abandon hope of reforming even one of these terrible people; we should never lose hope. Then why does the same cabinet come forward with this clause to the effect that after three years, when we can see no expectation of rehabilitation within a reasonably foreseeable period, then there are grounds for divorce? Why is it that in one moral argument we are told never, never to give up the possibility of reforming this type of criminal; then within a month have a bill before us to the effect that if a drunkard or a drug addict cannot be reformed within three years we have the right to say that the marriage has been broken on a permanent basis. In fact in subclause 2 of clause 4 we talk about "where the existence of any of the circumstances described in subsection 1 has been established, a permanent breakdown of the marriage by reason of those circumstances shall be deemed to have been established."

It is interesting to me that the cabinet by order in council has established that no murderer can be paroled in less than ten years, and then only if the parole board has O.K.'d it and the cabinet O.K.'s that. So the cabinet must consider that within ten years they can reform the most hardened criminal; that is, they can reform a man who thirsts for blood. Then why not spend ten years in reforming a man when he thirsts for liquor or drugs? But we are told, no; if in three years you find you cannot reform the drug addict or the drunkard, forget him, take away his spouse, take away his family and in some cases take away his property because he has had three years in which to reform and he has not reformed. But we can reform a murderer in ten years.

They used to reform murderers in eight years, ten months and one day, but I think they found that short course was not long enough so an order in council was passed to the effect that it would take at least ten years to reform a murderer. If we can reform a murderer in ten years, who says we cannot reform the drug addict or the drunkard? Why must we give up on the drunkard and the drug addict at the end of three years? Frankly, Mr. Chairman, you cannot have it both ways.

We in the Liberal party, of course, believe the members of our cabinet are the salt of the earth; if they were not they would not be the cabinet. I am telling you when they bring forth these moral arguments on behalf of one type of criminal we have to agree that they are the salt of the earth. But I say to the cabinet, if the salt within a month hath lost its savour wherewith shall the world be salted? It is thenceforth good for nothing but to be cast out and to be trodden underfoot by man.

I do not like having homilies read to me a month ago about how we should spend our time reforming criminals for the rest of time—for the rest of my human life—and then be told today that if after three years the reformation of drunkards and drug addicts is not effective, forget them and cast them on the dung heap. I say to you that if the trumpet give forth an uncertain sound, who shall prepare himself to the battle? I hate duplicity. When the trumpet is sounded one way in November I do not like to hear it sounded the other way in December.

I believe this clause of the proposed bill should be amended and some clarification given. The cabinet may point out that this is not what they meant in November when they said you must spend the rest of your life reforming these hardened criminals, and that in what they are saying now in December they are blowing the trumpet to let you know that if after three years you have not completed the reformation of the drunkard or drug addict, snap your fingers, grant a divorce, take away his family from him and take away his material possessions in some cases; because if we cannot reform him in three years what hope is there?

I say to you it is not right to use arguments such as this on both sides of moral questions. Either the cabinet was right a month ago and wrong now or was wrong a month ago and is right now. Frankly I would say they were wrong a month ago and are right now, because I shall be voting for this bill and I did not vote for the other.

I sincerely hope, Mr. Chairman, that the cabinet will not refuse to heed the advice of the Solicitor General, who points out that we must never give up hope of reforming these criminals; and will not throw aside the advice of Sir Winston Churchill which was read to us in such fulsome terms as the words of one of our greatest speakers, when he pointed out that there is a treasure in the heart of every man. Sir Winston must have been somewhat of a dubious temperament because he added the phrase "if you can find

it." That is my attitude so far as Sir Winston Churchill's message goes. He went on to say that we must have an eagerness to rehabilitate; we must make tireless efforts toward the discovery of creative and regenerative processes; have unfailing faith that there is a treasure, if you can find it, in the heart of every man. I think that proves that Sir Winston was a sceptic.

A month ago we were told to follow Sir Winston Churchill's advice and work, work, work in order to reform these criminals. But I say to you, if we can reform murderers in eight years, ten months and one day surely to heaven we can reform drug addicts and drunkards in a shorter space of time, even if it takes more than three years. We could bring in these rehabilitation specialists the cabinet has working with the murderers and making gentlemen of them in eight, nine and ten years, and turn them on these drug addicts and drunkards. These specialists who are making gentlemen out of murderers should not have any difficulty at all making gentlemen out of drunkards and drug addicts. Think of all the marriages they could save, thus making it unnecessary to go through the divorce courts.

I cannot see why the cabinet in December do not take the advice they were so freely giving in November. Either their memory is very very short or they think the public will not remember the advice they gave when we were being asked to consider the matter of capital punishment in the month of November.

I am sure if they trotted out all the nice Nellies and bleeding hearts they recruited to their banner in November and turned them loose on these drug addicts and drunkards, they would be reformed the moment they saw the bleeding hearts and nice Nellies in their presence. I sincerely hope this clause 4 can be altered so we would not be admitting that we are giving up the reformation activities of the cabinet in such a short period of time as three years. Three years in the average man's lifetime is as nothing. I believe the cabinet should take the advice of the Solicitor General and never give up in the expectation of being able to reform these drug addicts and these drunkards.

As I said before and repeat now, their advice was wrong in November and I did not accept it. Now that they are talking in December their advice is pretty good and I intend to take it. But I do not like duplicity no matter who is practising it, and I could not care less whether it is the cabinet that is

[Mr. Cowan.]

practising it or the man on the street. I dislike duplicity and hate to see it in black and white in this bill.

The Chairman: Shall clause 4 as amended carry?

• (3:30 p.m.)

Mr. Baldwin: Mr. Chairman, I should like the minister to explain why it was found necessary to insert clause 4(1) (c). This deals with the situation in which one spouse has not heard of or from the other for a period of three years, which will then be deemed to be a marriage breakdown. Under paragraph (e) it is also provided that where the spouses have been living separately and apart for three years for any cause this will be deemed to be a marriage breakdown. Is there any reason to refer specifically to special circumstances which would make paragraph (c) necessary in view of the wording of paragraph (e), subparagraph (i)?

Mr. Trudeau: That is a question that stumps me, Mr. Chairman. I can see that it is harmless but perhaps redundant. I know historically how it got in there. We were using the breakdown clauses which are current in other countries and the breakdown clauses found in the joint committee's report. As the hon. member will realize, we did subtract some of the recommendations because they were covered by paragraph (e) (i). I do not have the answer to the question now. I will read the clause and search my memory to find the answer. It may be that before the day is out I will be able to give it. However, the hon. member will realize that it is not a harmful clause though it may be redundant.

Mr. Baldwin: It may not be harmful but it might lead to some misunderstanding on the part of counsel who have been consulted by clients who propose to take proceedings. It seems to me that the simple provision in paragraph (e) (i), which refers to where there has been a separation for any reason for a period of three years, would be the more simple, easy and desirable way of handling this matter. There may be attempts to bring parties under (c) which may lead to complications. The minister might be good enough to look at this with the idea of withdrawing the paragraph later.

Mr. Trudeau: Mr. Chairman, perhaps we could stand this subclause for a few minutes while I search my memory and seek assistance in order that I may answer this question.

The Chairman: The proper thing for the committee to do under these circumstances is to stand the whole clause.

Mr. Otto: Before standing the clause, Mr. Chairman, I should like to make some remarks and ask the minister one or two questions. My question in respect of paragraph (c) is based on a different understanding of its intention than that expressed by the hon. gentleman. The purpose of this paragraph seems to me to be to prevent collusion. If this paragraph was not in the bill then an automatic separation for any reason at all, even if it was agreed to, would automatically lead to a successful petition for divorce.

I should like to ask a question in connection with paragraph (b) which refers to a three year period preceding the petition during which a party has been grossly addicted to alcohol or a narcotic, as defined in the Narcotic Control Act. Are we to assume that "grossly addicted" is defined in that act?

Mr. Trudeau: No, it is only narcotic addiction that is defined in that act.

Mr. Otto: That being the case, who is to define this expression? Up to now this has been within the jurisdiction of the courts. If it is intended that the jurisdiction will remain there I am in favour. On the other hand, if that is the case I question subclause 2 which seems to indicate that if the parties are living apart and any of the circumstances defined in paragraphs (a) to (e) inclusive exist, then automatically it will be presumed that there is a marriage breakdown. Does this mean that the whole question of marriage breakdown is removed completely from the courts? If this is the case I have no argument but I should like to hear the minister's reasoning and understanding. If people living separate and apart under any of the circumstances outlined in paragraphs (a) to (e) can establish automatically that there is a breakdown of the marriage, I take it that the one or the other would unilaterally be entitled to a divorce without any contest. Is that the case?

Mr. Trudeau: Mr. Chairman, the first part of the question is related to the expression "grossly addicted". This will be a matter of fact to be established by the judgment of the court. The idea of addiction and gross addiction is not foreign to our statute law. Many crimes or infractions are defined by the words "gross" or "grossly", and the intention here is to indicate that the courts must use their judicial discretion in deciding whether or not there is minor addiction, addiction to a substantial degree, or gross addiction. Once this judgment has been made by the court, subclause 2 applies and a breakdown is deemed to have been established. This will be, of course, a judgment of the court leaning on (b). This judgment of the court is subject to appeal and we will see the appeal provisions later on. This is one example of the many cases where the courts are left by parliament to make a decision on a question of fact, and this entails the forming of a certain amount of opinion.

The hon. member also raised a question in respect of time. Here again I suggest that if he refers to clause 9, subclause 3, he will find that a rule for the calculation of the period of separation will perhaps answer his question. If it does not, I will be glad to deal with it again when we are considering that clause.

Referring again to paragraph (c) I would say that the hon. member has given a reason for its usefulness. One can make a distinction, although there is perhaps a certain amount of redundancy. For the clarification and instruction of the parties who will be reading this bill, I think paragraph (c) will be useful because it will cover the case of a person who has disappeared and never been heard of and therefore might be dead. Paragraph (e) would apply to people who are obviously alive. That is part of the answer.

Another part of the answer is that if we struck out paragraph (c) one would not know for sure whether to proceed under paragraph (e) (i) or (ii), because the question would arise whether the disappearance was real and valid, that is, actually a desertion. If the petition was made under (e), the courts would have to make a decision on whether or not there had been a desertion so as to know whether to apply the five year rule or the three year rule. By including paragraph (c), the courts do not have to make this judgment which may be very difficult in the hypothesis of my explanation in respect of the disappeared person who is dead. Such a person would not be known of and the courts could not consult with him or seek information on whether that individual deserted willingly or unwillingly. For these reasons I think the clause is not useless. I agree with the hon. member for Peace River that there is perhaps an element of redundancy regarding paragraph (e), but for the reasons I have given I think it is useful to retain the paragraph.

Divorce Law Reform

• (3:40 p.m.)

Mr. Wahn: Mr. Chairman, I should like to ask the minister a question with reference to paragraph (d). An actual case has been brought to my attention where a marriage was consummated—indeed, the couple had several children—and at a later date, as the result of an operation, the husband became permanently impotent. Would the wife, under this legislation or any other matrimonial legislation already in effect, have the right to terminate the marriage in those circumstances?

Mr. Trudeau: Mr. Chairman, I am now being asked to interpret statutes other than this one. I do not mind giving advice to such a close colleague. With respect to this bill I would say that the answer is clear. If there has been consummation, no matter what happened later this clause could not apply. In the case mentioned by the hon. member, if there was a desire to obtain a divorce it would most likely be established by the living separate and apart of the parties.

I should say that this example is akin to the one given last night where one of the parties is maimed, ill or insane. If the parties continue to live together, as many undoubtedly will, in spite of the fact that one spouse has been disabled, there is obviously no cause for divorce. If they decide, after mature consideration, that they want to obtain a divorce, they will have to go through the same three year waiting period that is necessary when one of the parties becomes incurably insane or incurably ill.

With respect to the final part of the question, whether any other statute would provide for dissolution of marriage in these circumstances, my uninformed recollection is no. But once again I think it might be wise for any lawyer to reread the dissolution of marriage act and the other acts which have causes for annulment spelled out therein.

Mr. Smith: Mr. Chairman, in my very limited training I was always taught that a legal draftsman would try to make his bill as clear as possible in the first place so there would be as little room for judicial interpretation and appeal as possible. But now we have the minister telling us that the clause is all right and we will be able to clear up this fuzzy provision because it will be subject to appeal.

I should now like to refer to clause 4(e)(ii). It seems passing strange that there should be a differentiation in respect of the time after which a person can petition for divorce. The spouse who is deserted can petition for divorce after a period of three years but five years must elapse before the deserting spouse can petition for divorce. This provision implies essentially a trial within a trial. When a person petitions for divorce it must first be ascertained who deserted whom.

What kind of desertion are we referring to in the clause? Are we referring to other acts? In the child welfare act of Ontario "desertion" has one meaning and in most other provinces it has another. What kind of desertion do we refer to in this bill? Do we refer to physical desertion? Suppose a man is married to a shrewish wife and he just walks out of the matrimonial domicile and leaves the wife but continues to maintain her. What is the situation then? She was really responsible for his leaving her. Does this mean the husband cannot petition for divorce for five years but the wife can petition for divorce after three years? Do we mean physical desertion? If one spouse just walks out and leaves the other, does this provision mean he or she incurs an extra penalty?

It would seem to me that clause 4 (e) (ii) is completely redundant. If the clause were passed in its present form all we would do would be to make divorce more expensive to the litigant. I think the clause should provide for three years in either case, in which case, of course, we could withdraw paragraph (ii) completely.

Mr. Wahn: Mr. Chairman, I refer again to paragraph (d) because of the minister's answer. Would he not consider the possibility of an amendment to permit a marriage to be terminated in circumstances such as I mentioned earlier, namely, where the marriage has been consummated but as a result of illness or disability it has become impossible to continue cohabitation? Otherwise a person has to wait three years before the marriage can be terminated. It seems a little inconsistent to permit the immediate termination of a marriage which has not been consummated and to force a person to wait three years when the marriage has been consummated but cohabitation cannot be continued. It just does not seem to be consistent with principle.

Mr. Trudeau: As I said last night, Mr. Chairman, there is no question of principle involved here and there is no magic in the figure of three years.

Mr. Lambert: The period of three years is set out in the subclause.

Mr. Trudeau: If this honourable house wants to make the period two years, one year or one week, that is a matter for the house and I will not defend the period of three years on the ground of principle. I will not move such an amendment and I do not think I would vote for it, because after comparing the periods which are most acceptable in civilized countries I found that three years was a rather liberal figure.

The fact that this particular form of impotency has occurred does not require, it seems to me, that we spell out special treatment in the bill. Surely there is no great difference, at least in principle, between the spouse who cannot have sexual relations for that reason and the one have them because the other spouse happens to be living in an asylum somewhere. I do not think the hardship is greater in one case than the other. The test is whether the spouses are separated. Once again, if three years appears much too long to most hon. members I cannot say that I will defend that period of time on any moral ground, but it seems to me the kind of period we have to impose in order to bring forth the point that a marriage contract is not an ordinary contract and that the state has some interest in it, that society feels that marriages should not be broken off by consent no matter whether one person happens to fall sick or falls prey to an injury, as in the example given. This is my feeling on the matter.

Getting back to the question asked previously, I object to the expression having been used that the subclause is fuzzy. The courts are asked all the time, in respect of all our statutes, to interpret words and questions of fact. It is absolutely inconceivable that any law would be written in such a way that the courts would have absolutely no discretion. I cannot think of a single statute or single code anywhere that does not rely in some instances on an amount of judicial discretion. That is what we have courts for, namely, to apply the law according to their best interpretation. If there was no need for the interpretation of our laws we could have machines to decide these questions. We could put the statute in a machine and the answer would come out. There is always room for a degree of judicial discretion, and because this is the case it does not mean that the bill is fuzzy.

Mr. Smith: But I suggest that you should be as careful as possible in the beginning.

Mr. Trudeau: I accept that suggestion, Mr. Chairman, and I think we should be as careful as possible not only in the beginning but in the continuation and at the end. I believe this is what we have done. All the words of an act cannot be defined in the interpretation section of every statute. It is a well known rule of the courts that, if the words are not so defined, they use the ordinary dictionary meaning of the words. I agree that the courts disagree in some cases, and this is why we have appeal courts.

• (3:50 p.m.)

Mr. Lambert: It is obvious to me that the minister has engaged mostly in academic consideration of the law and has certainly not had experience in the practice of advising clients who come to seek advice from counsel or solicitors. The minister said that the best answer that a solicitor can give is to say he does not know how the courts will interpret this statute. In that event, determination of desertion, as my colleague has indicated, is something that a court may interpret according to the state of the judge's digestion on a particular day, all of which is most unsatisfactory.

One of the prime requirements of any statute, of law in general, is its certainty. I suggest with the greatest respect that this is precisely where this bill is deficient, namely, in its uncertainty and the minister's Marie Antoinette attitude that if a client is not satisfied in the court of first instance there is always the court of appeal. This is really fine advice to give to a client. To tell the client he can always go to the court of appeal if he is not satisfied can never be a very satisfactory answer.

What is the purpose of the definition clause in the bill? As a matter of fact, clause 2 to some extent defines children and children of the marriage. What is collusion? Lord only knows. This term has been subject to judicial interpretation but the minister has seen fit to define it in the bill so as to avoid judicial interpretation. Yet we find in the bill the word "desertion", and the minister says that it all depends on how the judge interprets it. There is such a thing as constructive desertion, and the interpretation of the term in one jurisdiction may be as different as night and day from the interpretation of the same term by another jurisdiction. I must confess that I find the minister's answer to be very unsatisfactory. I wish he had included in the bill a definition of desertion in the same way in which I suggest to him the bill should contain a definition of domicile because it appears in the bill in a way which I believe makes legal nonsense.

Mr. Trudeau: I think it is rather paradoxical for the hon. member to say that my approach to this matter is academic and then proceed to give a lecture against the positivist approach to law. Surely he has done nothing more than to state that he has a certain legal philisophy. It may be an admissable one but it is not necessarily compatible with our approach to statute law. There is one philosophy according to which the law may be defined as what the courts will decide in any particular case, and this to me is a perfectly respectable approach to the law. However, I do not think much will be gained by engaging in a discussion respecting a philosophical approach to law at this time.

Mr. Lambert: It is a "spin the coin" philosophy.

Mr. Trudeau: The hon. member could ask for a definition not only of desertion but of any other term such as respondent, petition, addition, period, presentation, and many other terms such as adultery, homosexuality, bestiality and cruelty. I do not think it is a fair accusation to say that a lawyer cannot tell a client exactly what the statute means. There are two sides to most cases and the courts are there to decide between two points of view.

Mr. Nielsen: Mr. Chairman, I like the minister's argument, particularly when he dealt with the need for leaving a residual, discretionary power to the judiciary. Because I like it I wish to suggest to him that there may be a way in which the deficiency to which the hon. member for St. Paul's referred a moment ago might be cured. I have great sympathy with the kind of example which he has commended for the consideration of the minister. In my own personal experience I have seen petitions for divorce of the nature described by the hon. member for St. Paul's and a good many others which deserve judicial consideration and are not covered by the provisions of the bill.

My friend from Peace River has made a study of the British legislation in this regard and he showed me an article from the Montreal *Star* which sets forth a proposal in a private member's bill which was made the subject of consideration in the house at Westminster. One section of the bill states as a condition for bringing a petition for divorce misconduct which a husband or wife cannot be reasonably expected to endure. This kind of provision in this bill would meet the rather sad cases such as the one raised by the hon. member for St. Paul's and would also cover other circumstances, one of which I will describe in a minute, which are not met by the provisions of the bill. For instance, in paragraph (d) a petitioner is on solid ground if the marriage has not been consummated. Here I think even the minister fell into the trap of using the term "consummate" in a different sense. To consummate, in law, and I do not see any provision in the bill which changes this concept, means consummation at the beginning.

There are cases where a married couple has been living together for ten years and then one party or the other will decide not to cohabit with his or her spouse. In circumstances such as those there is no recourse. If the conduct continues for a year or two, surely it becomes grossly unreasonable. Certainly there are wreckages of marriages where the couples remain together and where one partner is denied any recourse whatsoever because of the circumstances I described and which the hon. member for St. Paul's brought to the minister's attention.

• (4:00 p.m.)

I have an amendment which I will not move but I think it is worthy of consideration by the members of the committee. I will read it in the hope that the minister might advance it as a government amendment. I will go over the wording once again although I am sure the minister has it before him. I would propose that an additional paragraph be added after paragraph (e) (ii) of clause 4 subclause 1. The full stop at the end of the paragraph would be changed to a comma and then there would be another paragraph which would read as follows: "Or if there is conduct which a husband or wife cannot be reasonably expected to endure." The wording of that provision would meet the kind of case the hon. member for St. Paul's has raised and would meet the many cases of which I have personal cognizance and for which no remedy is available under the provisions of this bill.

Mr. Basford: I should like to go back to the remarks of the hon. member for Simcoe North who discussed paragraph (e). He was concerned about the provision that a petitioner who is deserted can apply for divorce after a separation of three years but if the petitioner was the actual deserter he can apply only at the end of five years. I have thought about this a great deal myself, and I agree with the hon. member for Simcoe North that there is no need to differentiate

between the two. It seems to me that by trying to add this punishment of two additional years to the petitioner who is the actual deserter we lead the courts into a problem which has been raised here of trying to decide what desertion is. There are circumstances which will allow a petitioner to leave home justifiably and, in fact, legally be a deserter. I see no reason for putting this punitive provision into the law. It seems to me that if spouses have been separated for three years for any reason, either one of them should be free to apply for a divorce and obtain dissolution of the marriage. I should like to move, therefore, seconded by the hon. member for Simcoe North:

That paragraph 4 (1) (e) be struck out and replaced by the following:

(e) The spouses have been living separate and apart for any reason for a period of not less than three years immediately preceding the presentation of the petition.

Mr. Nugent: When the minister replies, would he tell us what that does to paragraph (c) which would seem to have no place really because it refers to not even knowing where the other party is? Would that paragraph be redundant?

Mr. Trudeau: Mr. Chairman, I think I will vote against that amendment because it was the intention of those drafting the bill to make a distinction between the offended and offending parties. There was no desire to give any incentive in this bill to the desertion of one spouse by the other. I think the law would be better if we made sure there was no such incentive to desertion. If two parties decide to separate and live apart, for whatever reason, then I suppose that is a fact which the law must accept. This was the reason we wrote this particular concept of breakdown into our law. I think we must be careful not to accept the kind of thinking, generous though it may appear, behind this amendment because once again we are giving an incentive to desertion. I do not believe we should do that. Incidentally, it is for that type of reason we did not accept the recommendation of the joint committee for another kind of breakdown, which was shorter than three years, in a case when there was wilful non-support of either party. We did not want to write into our law any clause which would incline one party not to support the wife, husband or children because such a party might get a quicker divorce and not have to wait for three years. It is for this reason that I, personally, cannot accept the amendment. Once again, I cannot defend my actions on any other ground than this which seems to me to be a common sense ground.

While I am on this subject I might answer some of the remarks that have been made about desertion. This is not a new idea we are introducing here for the first time, as some hon. members have said. Desertion is already in our laws because section 2 of the Divorce Jurisdiction Act speaks about desertion. Certainly, the courts have had to interpret this word and they have done so with some differences of opinion among the courts. It is for this reason that the idea of constructive desertion has also been spelled out by the courts.

Mr. Nielsen: And in the Criminal Code.

Mr. Trudeau: And in the Criminal Code. I believe that when we want to change the meaning of a word we define it, and that is why we have defined "collusion" and "condonation". It is not condonation in the ordinary sense of our statute law. We provide an exception to the ordinary meaning of condonation by saying there can be 90 days of cohabitation without that constituting condonation. We have a long definition here of collusion which is a particular definition that applied to divorce. These are the justifications I give for preferring to stick to these particular words.

I should like to add a final word on the suggestion of the hon. member for Yukon that we have a new paragraph (f). I am struck by the fact that the idea he wants to introduce, which I think is a good one has been dealt with in words which are almost the same in clause 3, subclause (d). The reference there is to cruelty of such a kind as to be intolerable. I believe the hon. member's amendment used the word "unbearable". There is perhaps a slight distinction here but I think what the hon. member has in mind is something closer to the notion of an offence rather than the notion of a breakdown.

The hon. member uses the word "unbearable". When we talk of mental cruelty which becomes intolerable we come in a large degree to the idea the hon. member for Yukon wants to put forward.

Mr. Baldwin: I should like to add a word in reply to what the minister has said. I think we have to take a minute to look at the historical background. When cruelty was introduced in the United Kingdom in 1933 as a ground for divorce, there was a series of

judicial decisions which gradually crystallized so that cruelty, as a ground for the dissolution of marriage, must be cruelty of a kind which is clearly within the meaning of clause 3(d) in the bill the minister has introduced.

• (4:10 p.m.)

This is the culmination of a series of legal decisions in the United Kingdom, by which cruelty, prior to the introduction of the new act into its parliament, had to be of a kind as to render intolerable the continued cohabitation of the spouses. In considering the act which was introduced in the United Kingdom it is quite obvious that its framers—they were people in the government who consulted with private members and some of the other authorities—came up with what has been referred to, or suggested with great sense by the hon. member for Yukon, as conduct which a husband or wife cannot be reasonably expected to endure.

It is true that it is against my views and the views of some other hon. members—I cannot comment on that now since the house has seen fit to reject the suggestion that we should make marriage breakdown the sole basis—but there is no reason why a greater significance could not be given to that philosophy by introducing here what would be the counterpart of clause 3(d) and providing, as my hon. friend from Yukon has suggested, conduct which could be something less than the legally defined and established cruelty which is brought within clause 3(d). I think every member of the committee can contemplate circumstances under which conduct falling short of cruelty could, if it was persisted in for a very long time and was of a certain character, render intolerable the further cohabitation of the spouses.

Mr. Trudeau: Would that be mental cruelty?

Mr. Baldwin: No. I think you have established the cruelty which would be included within clause 3(d) but there is conduct falling short of that. Members of the bar have had occasion to advise people in matters of this kind, and I am sure other members of the committee also know of people in unfortunate circumstances where there is a course of conduct which is not cruelty within the meaning of clause 3(d) but which would justify a court in making a declaration, subject to all the other safeguards in this bill, that the parties need not further continue in the union which was binding upon them. I think it is on that basis that the hon. member for Yukon has made this proposal. I confirm and approve of what he has done. I do not know whether there is any use putting it in the form of an amendment, but I would like the minister to look at it and see if it could be a counterpart to the marriage breakdown provisions elsewhere in the bill.

Mr. Brewin: Mr. Chairman, I would like to support the amendment proposed by the hon. member for Vancouver-Burrard, seconded by the hon. member for Simcoe North, because it seems to me that it simplifies and clarifies these provisions. I think that is desirable.

The minister, if I understood him aright, said it had been deliberately decided to treat a deserting petitioner differently from one who had just separated without the element of desertion. Perhaps this is reasonable, but I suggest to the minister that the purpose of making these separate categories is clearly carried out in the provisions of clause 9(1) (f) where it is provided that it is the duty of the court:

> where a decree is sought under section 4 by reason of circumstances described in paragraph (e) of subsection (1) of that section, to refuse the decree if the granting of the decree would be unduly harsh or unjust to either spouse or would prejudicially affect the making of such reasonable arrangements for the maintenance of either spouse as are necessary in the circumstances.

It seems to me that this provision in the bill would amply take care of the situation where a petitioning husband had deserted his wife and was refusing to make reasonable arrangements for her. I believe it would be a better way of dealing with the matter to leave it to the discretion of the court to say: You, as a deserting husband, are not in a position to secure your divorce; I must refuse it to you under clause 9 because it would be either unduly harsh owing to your conduct or unjust to the spouse you left without provision and would prejudicially affect the making of reasonable arrangements. In addition, under clause 10 and the following ones orders for arrangements can be made.

I suggest that the minister should contemplate the virtues of simplicity in dealing with these matters. He said we should not try to define everything. I am inclined to agree with him on that, but the fewer paragraphs we have about desertion as distinct from separation the better. If we have these provisions about desertion it will just add to the complications where there is a clear case of separation and the court is required to go into the question of whether the husband is

providing adequately for the wife and also whether this was done in the initial instance three years before.

The definition of desertion, however it is made, is a complex and not a simple matter. It is not a question of just physically walking out of the house. It is a question of the provision that was made, of the circumstances and whether under those circumstances the person was justified in walking out of the joint domicile. It is a complex matter, and once you have established the principle of separation I contend you do not need to go into the question of desertion.

Mr. Otto: I put it to the minister that with respect to all of the offences under clause 3 and the grounds for marriage breakdown under clause 4 there is, with one exception, an opportunity to object. In other words, where the petitioner claims adultery on the part of the other spouse the other spouse has the opportunity to object and to prove that there was no adultery. The same applies to all the other marital offences and the grounds under clause 4 except one, and that is where there is a separation because of the husband or wife being in jail. Then, of course, there is no doubt. There obviously is a separation. A jail term has been handed down and in those circumstances there is no defence of any kind. Thus a divorce will be granted without defence.

I have no particular objection to that but for any of us to think that this bill is going to cure many of the ills present today would be not to face reality. Many of the provisions in the bill have been in force in the United Kingdom since 1937; yet one of the witnesses who appeared before our committee said that 95 per cent of the actions for divorce in the United Kingdom are still based on adultery. The minister will understand the reason for this. Adultery is a very simple thing to prove. There is a claim of adultery, there is an admission of adultery, and that is as far as the court goes. Therefore it is the cheapest and simplest way where a marriage is being put to an end by consent. Where there is no consent, at the present time it is impossible to get a divorce. Under the terms of this bill a divorce can be secured without consent after a period of five years. Other than that I cannot see that the bill changes the picture very much. I cannot see that any judge is going to accept an admission of cruelty, even by both parties. No matter how detailed and long the evidence in the case might be, I submit that what I say holds true. The same might be said about desertion.

• (4:20 p.m.)

The minister may say that where a husband is jailed for a long time the wife has an automatic right to a divorce. In other words, the imprisoned party loses his defence. It makes little difference if the period of separation is five years, three years or two years. A divorce is to be granted without the consent of the party not suing. For either party to sue for divorce before the prescribed period of separation there must be proof before the court of some form of marriage breakdown. In the alternative, the case must come within the confines of clauses 3 and 4 of the bill.

Mr. Wahn: I do not wish to labour the point that I originally brought to the minister's attention. His reply indicated that possibly he did not understand my suggestion clearly. I agree with the minister that a three year separation period as a ground for divorce is arbitrary. No one can say whether three years is right or wrong any more than whether five years is right or wrong. That is not the point to which I wish to direct the minister's attention.

My point is that where permanent impotence exists a divorce should be permitted and the parties should not be forced into a period of separation for three years, one year or for any period. I submit that in such cases the marriage should be terminated on the request of the aggrieved spouse without the necessity of any waiting period.

I know that the minister does not lack imagination. Let me refer to circumstances which are likely to exist to illustrate what I am suggesting. Take the case of a marriage which has been consummated and there are children of the marriage and then permanent impotence develops. Under this bill, in order for the wife to obtain a divorce she would have to desert her husband. She might have to take the children with her or leave the children with her husband. She might be without means of support. In any event, she must wait for three years at least before suing for divorce. The bill clearly states that a divorce may be granted after a certain period of separation.

Mr. Trudeau: Will the hon. member permit a question? What about impotence because of old age? Would he include that in the bill?

Mr. Wahn: I would have no objection to an exception being made in that case. I did not wish to complicate my argument by raising

the point that the minister has raised. If it involves real difficulty I have no doubt that the departmental officials are adept enough to cover that contingency.

As presently drafted the bill provides that a divorce may be granted where the respondent for a period of not less than one year has been unable, by reason of illness or disability, to consummate the marriage. That ground is conditional on the marriage not having been consummated in the first instance. That clause, it seems to me, is almost mediaeval in tone. It is entirely out of keeping with the minister's character. It attaches too much importance to the single and original act of consummation. After there has been an act of consummation, there cannot be a divorce even though impotence develops. The parties must then seek their remedy under the separation clause of the bill.

To say that a divorce will not be granted in a case where a marriage has been consummated even though permanent impotence develops later is contrary to sound principle. I think the minister would be wise to correct this paragraph by deleting the words, "the marriage has not been consummated and" from paragraph (d). I hope the minister will consider this suggestion because the amendment which was suggested by the hon. member for Yukon and supported by the hon. member for Peace River might not cover the cases I have in mind. I submit that when a man is impotent he cannot be accused of wrong conduct.

Mr. Nielsen: It might be wilful refusal to cohabit.

Mr. Nugent: I am puzzled about paragraph (c). It seems to me that paragraphs (e)(i) and (ii) are wide enough to cover the three year separation period. Any petitioner who pleaded desertion as a ground of divorce would have to come within the confines of this clause. Surely the deserter would come under the confines of paragraph (e)(ii). To say under (c) that one of the parties could not be located for three years is to add confusion to the bill. My argument mainly is that paragraph (c) will bring difficulties. I cannot see the purpose of including it. Obviously, if the parties under paragraph (e)(ii) have been living apart for up to five years they have been separated; the marriage has broken down and a ground for divorce exists. I submit that paragraph (c) will hamper the courts in making their decisions. For that reason I think it is unnecessary in this bill. As I see it, paragraph (c) will bring nothing but difficulty.

[Mr. Wahn.]

Mr. Otto: Mr. Chairman, the hon. member for St. Paul's raised an interesting point. Though the hon. member believes that impotence or non-consummation should be grounds for divorce I wish to point out that the common law of England, from which our law derives, and the laws of many other nations hold that non-consummation constitutes a breach of contract. The common law of England have never held that sexual relations cemented the marriage bond, because marriage was based on concepts of property.

An hon. Member: Oh, no.

Mr. Otto: When a man commits adultery with another man's wife he appropriates unto himself another's property. That was the old legal view. Non-consummation was a ground for divorce because it implied a contractual failure. The marriage contract was void *ab initio*. In other words, the contract never existed. If one of the parties is unwilling to participate in sexual relationships, that matter might be covered under clause 3(d). Otherwise it is not covered in the bill.

• (4:30 p.m.)

We cannot surely leave it to either of the spouses to decide that by withholding the pleasures of marriage or, indeed, by making such a claim, they will have grounds for divorce. This would presume that the laws of marriage and of divorce are based to some extent on this relationship. It may be that today we can make allowances for this relationship in our marriage and divorce laws by legislating in a different way, possibly under clause 3. This is a clause which is, unfortunately, linked with natural offences, and of course we are not dealing now with a marital offence. I understand that most countries which have had considerable experience with legal interpretation in connection with mental and physical cruelty have interpreted inability to engage in the sexual relationship as a form of cruelty and have made provision for granting divorce on this ground.

Mr. Basford: I should like briefly to answer the Minister of Justice in connection with my amendment and then to suggest, on a point of order, that we might have a more orderly debate if we confine our discussion to the amendment before us. The Minister of Justice has suggested it cannot be the purpose of the law to encourage or appear to encourage or reward or entice people to desert their spouses. Of course, I agree with that as a general principle.

I understand it was this thinking which led the special committee to recommend that a three year period be stipulated, that marriage be considered to have broken down if one of the partners had been deserted for three years or if one had been a deserter for a period of five years. It seems to me that when a marriage is going on the rocks few people will, in fact, be considering these legal distinctions and whether they have to wait for five years or only three years before they can go to court. From my own experience in the years when I was practising law I believe it would be unrealistic to say that the abolition of this distinction would be enticing or rewarding these people.

For those who might be considering their legal rights, it seems to me that the distinction created in paragraph (e) would lead to an undesirable situation in which a husband and wife whose marriage was going on the rocks would be jockeying around to see who was going to desert whom in order that the one deserted could have the advantage of a shorter period of three years before applying to a court. I can envisage that in some situations where hatred runs so high a husband who wanted to leave would refuse to do so and would create hell for his wife in the hope she would desert so that he would be entitled to the advantage of the three year period. For these reasons it seems to me that the distinction created in this paragraph is altogether undesirable, and I hope hon. members will support my amendment.

Mr. Trudeau: I can only say that on this occasion we have gone farther than the committee recommendation which provided for three years on the petition of the deserted spouse and did not provide at all for the deserter. I should remind hon. members that there has been a discretionary power in the divorce and matrimonial causes legislation of 1857 under which desertion was one of the bars to divorce. We are going much farther than that. We are permitting divorce even when there has been desertion but we are asking that the period should be five years.

Amendment (Mr. Basford) negatived: Yeas, 17; nays, 36.

Mr. Nielsen: I wonder whether the minister would reconsider the suggestion I put to him a moment ago in connection with the addition of a paragraph (f)? My hon. friend from Peace River has properly pointed out in regard to paragraph (d) that mental cruelty, the basis upon which a petition is founded, must be mental cruelty within the meaning of a strict judicial definition. I do not like using the word "definition" but it must be used here. Over the years the courts have defined this phrase within rigid boundaries.

The case raised by the hon. member for St. Paul's where there is no wilful refusal to cohabit but it is impossible to do so due to circumstances beyond the control of either of the spouses, could be repeated where parties have been physically injured as a result of accident or disease and where there is no wilfulness on the part of one party or the other but it is in fact impossible for them to cohabit. Notwithstanding the remarks of the hon. member for York East whose version of the law I cannot share, this is one of the main and fundamental factors for married people. I would therefore ask the minister to consider introducing a government amendment which would permit a judicial discretion to be exercised in cases of misconduct which a husband or wife cannot reasonably be expected to endure. This consideration could then be submitted to the courts as a ground for the exercise of judicial discretion in terminating a marriage.

• (4:40 p.m.)

Mr. Trudeau: This debate has such an agreeable tone and hon. members are so constructive that I hate to appear obstinate. Moreover, as hon. members know, I really have no vested interest in the legislation one way or another. In response to the hon. member for Yukon I can only say on the question of whether there is cruelty or not that if there is nagging I suppose it could be interpreted by the courts to be mental cruelty if it goes on for a long time. So there is the test under clause 3. If there is not cruelty, then I must object to the suggestion on the ground—and I think the hon. member for Yukon and the hon. member for Peace River realize this—that it is really introducing the breakdown concept once again in its almost pure form, because here the courts will have to say there has been no cruelty. But what is it that one of the parties cannot reasonably be expected to endure? Is it something less than mental cruelty, a physical handicap of illness and, if so, how long does it have to be unendurable? Having taken the stand in respect of this bill that we will introduce only a modified breakdown concept, I can only say I am caught in my own logic and, perhaps with nostalgia, must reject the suggestion of the hon. member.

Clause as amended agreed to.

Clause 5 agreed to.

On clause 6—*Rule for determining domicile.*

Mr. Aiken: Mr. Chairman, in connection with subclause 2 of clause 6 there is some doubt in the minds of several members who have read it and reread it concerning what it means. Would subclause 2 of clause 6 result in the recognition in Canada of Mexican divorces or divorces granted by any other jurisdiction outside Canada? At first glance it seems that this subclause is placed here in order to give effect to the first part of the clause relating to the domicile of married women who are under age and married women separate from their husbands' domiciles. However, there does not seem to be any limitation. The wording is most difficult to straighten out. Could the minister either give us the assurance that we will not recognize any divorce granted in any other jurisdiction which does not define domicile as we do, or tell us whether it limits it to places which recognize the domicile of a married woman only?

Mr. Trudeau: I will gladly answer that, Mr. Chairman. As a matter of fact I stood at the same time as the hon. member for Parry Sound-Muskoka because I had an amendment to introduce which I think tends to clarify the very question which has been asked. I realize that since we introduced the bill there have been some questions raised both in the house and in the press about the interpretation of this provision. I should like to distribute copies of this amendment both in French and English. It is seconded by the Postmaster General. I should like to explain here what the intention is and what I believe the amendment spells out. We intend to introduce domicile rules which are new to our law and which will go beyond even the recommendations of the joint committee because we not only apply the new rule of domicile to the married woman within Canada but also outside Canada.

I should begin by saying that clause 6, subclauses 1 and 2, really apply only to married women. In other words, we are not changing the law of domicile as it presently exists for men. That is the reason that in the amendment—hon. members might look at lines two, three and four—I have added these words to the present clause:

—without limiting or restricting any existing rule of law applicable to the recognition of decrees of divorce granted otherwise than under this Act—

Let us sum up the situation in respect of men first. In the case of men the rule will not change. If a man goes to Mexico, Nevada or anywhere else, that is his domicile if he is domiciled there within the meaning of domicile as given by Canadian courts. Members, especially those who are lawyers, know that this is a difficult term and I would not attempt to define it here because domicile has varying meanings from province to province.

Mr. Bell (Carleton): That is the crux of the issue. It is what the Canadian courts determine.

Mr. Trudeau: Yes. I do not intend to rewrite all the laws in respect of domicile in Canada. There is a constitutional difficulty involved here. The provinces have their laws in respect of domicile and there has been some difficulty, as hon. members know, with regard to federal statutes in the matter of grappling with this idea of domicile. We did not wish to re-open the debate on that. If a man is domiciled in Nevada he can obtain a divorce under the Nevada laws, but he cannot just go there, establish a short residence there, not domicile in the sense we use the term, come back and expect our courts to recognize his divorce. So for the moment there is no change. Once again may I say that I am not attempting to cover all the jurisprudence and case law in respect of domicile. We are just trying to make the existing rule applicable to women as well as to men.

A woman who is married and domiciled in British Columbia does not have to move to the province where her husband has established his domicile in order to sue for divorce. In other words, under this clause, she is being treated equally with him. I believe this is a step forward toward fair treatment for men and women. We went a step forward and established this rule also in respect of persons domiciled outside of Canada. Here again we are going a bit farther toward liberalism and equality of the parties. We thought that the equality in this regard should apply not only within Canada but also outside Canada. That is the reason for subclause 2. Once again there is no attempt here to solve the problem of domicile in the final sense for men and women. We are just saying that whatever the laws are under provincial statutes or under provincial laws they will in divorce matters be the same for men as for women, a woman being in the position of a man for the purpose of divorce.

Mr. Macdonald (Rosedale): Do I understand the minister is saying basically that so

far as a man is concerned the law is not changed? The minister gave the example of a man who is domiciled in Nevada. The question of whether or not he is domiciled there is determined not by the laws there but by the law of Ontario if that is the province of the court in which the petition is brought.

Mr. Trudeau: That is correct.

• (4:50 p.m.)

Mr. Macdonald (Rosedale): On the question of domicile the rules to be applied are the rules of the Canadian court rather than the rules of the purported place of domicile.

Mr. Trudeau: That is correct.

Mr. Smith: I have a question for the minister relating to the first part of this clause which suggests that the domicile of a married woman shall be determined as if she were unmarried. This may lead to circumstances which are quite common to lawyers who live in the vicinity of armed forces bases. A soldier and his wife may have come from the province of British Columbia, for example, to live in Ontario. The cause for divorce may have arisen in Ontario. The man has no domicile here but the woman, if she has not gone into the labour force, may very well intend to return to her home, from whatever part of Canada she came, and could not meet the requirements. It seems to me it is not clear whether she has Ontario domicile for the purpose of divorce. It says "as if she were unmarried", but perhaps she has not entered the labour force or set up any permanent residence in Ontario and has not demonstrated one of the ingredients of domicile, namely, the intention to stay. Is that woman to be placed in the position of having to return to British Columbia where she intends to resume her separate life and be put to all the expense of a divorce in Ontario?

Mr. Otto: The minister has said that it would be very difficult to establish Canadian domicile and I should like to know why. The minister will realize that domicile is very complicated so far as men are concerned because it involves the intention of living somewhere for the rest of one's life. I think this provision will lead to many appeals. We are now saying that a woman is to be put in the same position as if she were unmarried. I think this will lead to difficulties particularly if there is any objection to the establishment of Canadian domicile. If a person had domicile in Canada that person could originate a suit anywhere in Canada. I am given to understand there is some constitutional difficulty in this regard. The minister should indicate the provinces, if any, that have objected to this type of change in the law. Why do we not take advantage of this opportunity to change the ridiculous common law on domicile?

Mr. Aiken: Before the minister answers I should like to outline one other thing that still puzzles me, and I have in mind the words "without limiting or restricting any existing rule." Could we not merely use the word "altering"? I am concerned about enlarging the existing rule of law applicable to the recognition of divorce. I do not think we are too concerned about limiting or restricting any existing rule of the law because the existing rule is fairly clear. What we are concerned about is that this clause may expand or enlarge the rule of law. I am wondering whether the minister has any objection to the word "enlarging"? This is more what we are concerned about. I suppose it is difficult to define what you mean by "restricting" and "enlarging" because this depends on the direction of your thought. To my mind enlarging the existing rule of law would be making foreign divorces more broadly recognized. I do not think this amendment completely covers the point in that this clause is not intended to enlarge the recognition of foreign divorces.

Mr. Trudeau: Perhaps I may be allowed to answer some of the points, if I am able to do so. In answer to the question as to why we do not settle once and for all the rule of domicile and set it out in this law, apart from the constitutional difficulty, I think it is unrealistic for hon. members to want to settle this kind of extraneous question by the divorce law. I must refer members to the text of the bill which says "for all purposes of determining the marital status in Canada." It is for this purpose alone that I introduced the amendment. This amendment would not apply to other purposes which have to do with income tax, inheritance or anything else. We are saying that the existing laws on domicile, whatever they may be, when you are talking about marriage, will also apply to women.

Surely hon. members are aware of the reason we are doing this. It is not to complicate the law but rather to meet the case of a husband and wife who are living separate and apart. We want to avoid the necessity of a wife having to cross the country or perhaps the world in order to plead her divorce case

in his domicile, which is the case under our present laws. Under our present laws, by and large we define a woman's domicile as that of her husband, if she is married. We are saying that in respect of a divorce which puts an end to the marriage, so far as the establishment of domicile is concerned, a woman can establish domicile in any way which is open to a man. I cannot refer to all the domicile laws in Canada, but if hon. members will look at sections 79, 80 and 81 of the Civil Code of Quebec I think they will find a very satisfactory definition of domicile. We could write this into the statute laws of Canada, but I am not sure that all hon. members would be prepared to do so without having a committee look into the matter. I am suggesting that we bypass this broad definition now and say we are going to accept the laws of domicile but make them equal for men and women.

As to the point of saying "without limiting or restricting" rather then saying "without enlarging", it seems to me the point is we are enlarging the existing rule of law in Canada in such a way that it will apply to women as well as to men. I think that is all we should say at this point.

Mr. Nugent: I am a little puzzled, since I think we all agree that the purpose of this clause is to make it possible for women to have a fair shake in the courts when it comes to domicile, because the clause says:

> —of any country other than Canada by a tribunal or other competent authority that had jurisdiction under that law to grant the decree—

I cannot get over the feeling that a court could interpret this as meaning that we are saying that if the court in the other country has jurisdiction then its law applies. I cannot understand why we have to word the clause in this way. Certainly the Reno courts would say that under their jurisdiction they have authority, and that is not our purpose. The minister shakes his head and indicates that it is, but it is my understanding that we are not recognizing the validity of a Reno divorce. The wording of this clause seems to me to leave it open to an interpretation which is not intended. All we are trying to do is to change the law in respect of women in order to make it clear that they have equal status. I think there should be some clarifying words to that effect.

• (5:00 p.m.)

Mr. Otto: Mr. Chairman, the minister has said that we should not tie in domicile with property, taxes and so on. My intention, of course, was to define "domicile" only under this bill and for the purposes of the bill, and to allow any person domiciled in Canada to initiate a divorce action anywhere.

The minister said that we are putting the married woman in the same position as the man. I have taken part in the debate on this clause because this question brings to mind the famous case of Gulbenkien *v.* Gulbenkien on the question of domicile. The minister will remember it. Young Gulbenkien, the son of the oil baron, pleaded that he was domiciled in Paris because that was where his father lived and from where he got his income. In all these cases it will now be pleaded that the wife's domicile is really that of her husband because she depends on him for her maintenance. We may be restricting the right of a wife to plead a divorce action by allowing the domicile rule to remain as it is in the clause. Why could it not refer to Canadian domicile?

Mr. Aiken: Mr. Chairman, I may be extremely dense today but if I am I was dense yesterday and I have a number of dense associates because we cannot figure out how this subclause will not have the effect of permitting a person who has obtained a divorce anywhere in the world to say that the divorce is valid because it was granted on the domicile determined by that particular court. The subclause starts with these words:

> For all purposes of determining the marital status in Canada of any person—

In other words, the subclause starts out by covering those persons who have been legally divorced. Then it says:

> —recognition shall be given to a decree of divorce granted after the coming into force of this act under a law of any country or subdivision of any country other than Canada by a tribunal or other competent authority that had jurisdiction under that law to grant the decree, on the basis of the domicile of the husband or wife in that country or subdivision, or on the basis of the domicile of the wife therein determined—

Let us leave out the part about the wife because we know that is the intention of the subclause. I am concerned about the general law of Canada as related to husband and wife. As I read the subclause—and perhaps the minister could make it a great deal clearer—it provides that recognition is given to a decree of divorce granted on the basis of the domicile of the husband or wife "in that country", that is, the country that granted the divorce. How can the minister say this subclause does not say that? I know the

minister's intention. The intention relates only to the wife. If that is the case, all right, but the subclause does not say that and it refers to any person. I think this subclause is so badly phrased that an amendment would only make it worse.

Mr. Trudeau: Mr. Chairman, I can explain the meaning again, but before doing so let me say that when we find the word "domicile" in a Canadian statute—and I gathered from the question of the hon. member for Rosedale that this was understood—the Canadian courts interpret the word according to our law and not according to the law of whatever land is referred to. This explains the meaning of the phrase "domicile of the wife in that country." It is domicile as defined and understood by our courts in connection with our statutes and common law.

This means that if a person goes to Reno and obtains a divorce on the basis of residence and the person is effectively domiciled in Nevada—domiciled, once again, as understood by our courts—we will recognize that divorce because it was granted by a tribunal which had jurisdiction under the law of Nevada. In other words, the Nevada law will apply if the person is resident in Nevada under Nevada law and will be recognized in Canada if the person is domiciled there. Once again, the Canadian courts have always interpreted the word "domicile" in a Canadian statute according to Canadian laws and standards. This is the rule.

I would not mind spelling it out in a clearer way if that is the desire of the committee. I must say that we struggled quite a bit with this wording and I had the assistance of very able draftsmen, especially when there was some doubt after second reading. We then looked at this wording again. If we do not want to meet the kind of problem raised by the hon. member for York East and try to rewrite our laws on domicile, which I suggest we should not attempt if we want to adjourn for Christmas, we must not try to go any further than we do here. We must rely on the Canadian courts to continue interpreting the word "domicile" appearing in Canadian statutes as they have always interpreted it in the past.

With regard to the problem raised by the hon. member for York East, I would refer him to section 80 of the Civil Code of the province of Quebec and let him find the test there, which I think answers his question.

Mr. Nugent: Mr. Chairman, would the minister answer a question? We say we are going to give recognition to a divorce granted by a tribunal that had jurisdiction under the law of that country. The only time domicile comes into the question is with regard to jurisdiction, and we are saying that we will recognize a divorce granted by a tribunal that had jurisdiction under the law of that country. This is the plain meaning of the word "domicile." I wonder whether we could not include a phrase such as "jurisdiction as defined or as recognized under Canadian law", in respect of a tribunal that has jurisdiction as recognized now by Canadian law?

Mr. Trudeau: I do not think it would meet the point at all. Let me try to illustrate by another example. I am only repeating the same thing in different forms. Let us consider the law of France. The law of that country will grant a divorce on the basis of nationality, not on the basis of domicile or residence or anything else. We would recognize a divorce granted in France by the authorities in that country authorized by their laws to grant divorce if the person asking for the divorce to be recognized in Canada was domiciled in France, not if he had the nationality of that country.

Mr. Bell (Carleton): According to our laws.

Mr. Trudeau: The hon. member for Carleton says "according to our laws." We would apply the Canadian law of domicile to the person asking our courts to apply it. We would apply that test according to our law. I think I must sit down, Mr. Chairman.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Assistant Deputy Chairman: All those in favour of the amendment will please rise.

Some hon. Members: Carried.

The Assistant Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Amendment agreed to.

The Assistant Deputy Chairman: Shall clause 6 as amended carry?

Clause as amended agreed to.

Divorce Law Reform

• (5:10 p.m.)

On clause 7—*Duty of legal adviser respecting possibility of reconciliation.*

Mr. Macdonald (Rosedale): Mr. Chairman, my comments on clause 7 will also apply to clause 8. In my opinion neither clause is consistent with the function either of a lawyer or a judge. It is the role of the lawyer to determine the facts in the particular case and to advise his client of their effect under the law. In the role of an advocate it is the duty of the lawyer to adduce proof of facts in support of his client's case and then to persuade the court of his client's rights under the law in the face of these facts.

I should like to turn to some of the considerations which are involved in these two clauses, namely, whether or not a particular couple may be reconciled, whether it would be appropriate to require them to undertake further efforts at reconciliation, and what these efforts should be. In my opinion these are not legal questions and should not properly intrude into legal proceedings. There may be persons with appropriate training in the social sciences capable of prescribing for conduct on the part of either or both the spouses which might lead to reconciliation, and it might well be that following a further study of human relations some more general process of reconciling this type of dispute may be established. I must express some doubt as to the likelihood of finding such an early solution to these problems, but I do not discount the possibility.

I note that the report of the joint committee at page 153 was much less positive than is the draft bill as to the efficacy of this proceeding. The committee acknowledged that compulsory marriage counselling is not a practical proposition and the following statement is made in its report:

> However, while the introduction of such provisions into the law might be desirable, it would be a mistake to expect too much from them. The experience in Australia, and some other jurisdictions, would lead one to believe that such powers tend to be exercised infrequently.

It seems clear to me that at the present time members of the legal profession and the bench are not qualified to make definitive judgments on the kind of question which is imposed on them, and it seems likely that the words in the clause which will most frequently be used are the so-called escape words, namely, "except where the circumstances of the case are of such a nature that it would clearly not be appropriate to do so." I have the suspicion that this exception will

[The Assistant Deputy Chairman.]

be invoked far more frequently than the other provisions of the clause.

I do not think the clauses impose a serious legal problem or a serious impediment to parliament but I think they are unrealistic. I direct my comment not so much at the minister as at my colleagues at the bar in Toronto who have asked me what we intend to do by this requirement. I do not think these are appropriate provisions. I think I understand some of the minister's thoughts in introducing them but I do not predict legal efficacy for them.

Mr. Fairweather: I could not agree more with the hon. member for Rosedale. I spoke on this matter at an earlier stage of the debate on the bill. I respect the minister and therefore I think he will not mind when I use strong language. I believe this is nothing more than a sop and window dressing. I am absolutely certain that it will just become a technique sloughed off by barristers merely to fulfil the meaning of this clause. I think this is a great pity because the need for assistance arises long before the case reaches the lawyers office.

I believe the minister will agree that there is a need for a useful marriage counselling service to be set up by whichever jurisdiction has the power to do so under the constitution. I think it is a pity that a basically good piece of legislation is cluttered up by a catch-all section which is thrown in here merely to placate those who are interested in the strengthening of marriage and in the reform of the law in general. I know the minister can give a good answer and we eagerly anticipate it, but I think it would be better if we did not have this clause at all. Parliament should not say something in the legislation which it knows perfectly well will not have a meaningful or useful effect.

Mr. Otto: Mr. Chairman, I support the hon. member who has just spoken and I suggest to the minister that the clause be deleted entirely. I urge the committee to vote against this clause. Let us consider it carefully. It reads as follows:

> It shall be the duty of every barrister . . . except where the circumstances of the case as of such a nature that it would clearly not be appropriate to do so—

Barristers are in business to make money. The old concept of professional ethics has certainly dimmed in the past 10, 15 or 20 years. I would hate to entrust some barristers

with the decision as to which of the circumstances in any case are or are not appropriate. They are not trained to decide that. This is why in subclause 1(a) of clause 7 it is stated:

> To draw to the attention of his client those provisions of this act that have as their object the effecting where possible of the reconciliation of the parties to a marriage;

That is easy enough. The lawyer will say to the client: Here is the act, read it. Subclause 1(b) reads:

> To inform his client of the marriage counselling or guidance facilities known to him—

I for one cannot even think of one marriage counsellor in Toronto to whom I would care to send anyone. The qualifications of marriage counsellors in Toronto are nonexistent, and complaints have been made about this for years. There are no competent people in this field in Toronto. Of course there are psychiatrists who charge a great deal of money for their services, but I would not suggest to any person that he spend $40 or $50 an hour over a period of several years. Subclause 1(c) reads:

> To discuss with his client the possibility of the client's reconciliation with his or her spouse.

I suggest that whatever is usually done by lawyers will be done. I found whenever I undertook to discuss reconciliation with a petitioner for divorce that they had already made up their minds to get a divorce and did not want my advice. Subclause 2 reads as follows:

> Every petition for divorce that is presented to a court by a barrister—shall have endorsed thereon a statement by such barrister—that he has complied with the requirements of this section.

I suggest that the compliance will be in word only; it will merely be a rubberstamp compliance. Who will then judge whether the lawyer has indeed complied? Therefore I suggest to hon. members that they should vote against this clause.

Mr. Herridge: Would the hon. member permit a question? He said that barristers are not trained to do the things he mentioned. I am in the dark on this issue. Could he explain his statement?

Mr. Otto: I am sure the Chair does not wish me to start a discourse on the training and qualifications of lawyers. All that can be said with certainty is that they are not trained to be marriage counsellors.

Mr. Enns: Mr. Chairman, I do not want to let the remarks made by the hon. member for York East go by without some challenge. Would he not agree that some effective counselling is being done by marriage and family counselling agencies, not particularly related to divorce proceedings but rather preventive counselling services to strengthen and keep families together? Would he not agree that such a service is available in Toronto?

Mr. Otto: No, Mr. Chairman, I do not agree with that. I have come to the conclusion that qualified psychiatrists are hesitant about taking marriage cases because they feel there is not much chance of success. If any lawyer tries to send a client to a marriage counsellor or a psychiatrist who specializes in this field, he will find it very difficult. In the city of Toronto marriage counsellors are usually retired tax assessors or hangers-on at city hall. These counsellors often say: There is not much you can do so you had better get a divorce. After all, this is a very complicated business. There are no doubt some competent marriage counsellors, but the average marriage counsellor leaves me with little hope for the success of this provision.

• (5:20 p.m.)

Mr. Brewin: The minister may be surprised to know, Mr. Chairman, that I should like to support this clause. I do not want to be diverted by the hon. member for York East into discussing either the qualifications of lawyers or of marriage counsellors in the city of Toronto. I should like to say to him only that I do not agree with his rather pessimistic conclusion on both groups of people. I am sure there are lawyers who have no qualifications. I am sure there are marriage counsellors who have no qualifications. I should like to suggest to him there are lawyers with very good qualifications embracing experience and humanity. There are marriage counsellors who have the same qualifications.

During the debate on second reading of the bill I said I was apprehensive about clauses 7 and 8 when they were attached to legislation which maintained the concept of marriage offences. What the hon. member for Rosedale and the hon. member for Royal have said may be correct. This may be just a sop, as they put it, or a formality which the profession may not take seriously. I share their basic views on this matter but I want to disagree with them in this respect. I believe that the maintenance in this bill of clauses, however inadequate they may be, which look to the concept of reconciliation is good. I take the view that if in the future it turns out these provisions are inadequate it will be up

to parliament to amend them and make them more effective. I do not believe that we should just remove them from the bill as though parliament did not believe that procedures for reconciliation are important. This would leave the impression that parliament had adopted the view of the hon. member for York East that lawyers and marriage counsellors are quite incapable of dealing with matters of this sort. I repudiate this contention. I do not believe that these clauses, as they stand in the framework of this bill, are going to produce any wonderful results. However, I suggest there is greater value in keeping them here than in taking them out. I suggest we should support these clauses.

Mr. Nugent: Mr. Chairman, I believe the hon. member for Rosedale and the hon. member for Royal put the argument very well. There is almost nothing to suggest that these two clauses should be retained in view of the fact the house has considered and rejected the marriage breakdown concept. These two clauses really suggest to the courts that we are bringing in the marriage breakdown concept by the back door. Before the court can look at the petition for divorce the lawyer must advise the petitioners of this concept and the court must be satisfied that it has been considered. We then have a case which amounts to marriage breakdown. I suggest to the hon. member for Greenwood, who is so much in favour of that principle, that he is in favour of these two clauses because they do everything that he feels should be done in so far as the marriage breakdown concept is concerned. Since the house has rejected it and since it would be an unsatisfactory and unworkable way of trying to bring about a divorce, I must agree with the hon. members who support the rejection of these two clauses.

Mr. Wahn: I should like to support the retention of these two clauses. I say to the hon. member who has just spoken that the house has not rejected the principle of marriage breakdown, as I understand it, but has accepted the principle of marriage breakdown as one of the grounds for divorce. The house has rejected the contention of those who wished to have marriage breakdown as the only ground for divorce. The principle of marriage breakdown as an important ground for divorce has been accepted. These two clauses are completely consistent with the principle of marriage breakdown. I hope they will not be treated merely as formality either by the legal profession or by the bench but on the contrary will be taken very seriously.

It may well be that at the moment we do not have adequate facilities for marriage counselling, but we have some in the city of Toronto. It is my understanding that they have been effective in some cases. I feel these are important clauses and they should be retained. We are primarily concerned with the maintenance of sound marriages in Canada, not merely with providing a quick method for cutting the marriage tie. These two clauses are important and if they prove to be less effective than we think they should be strengthened in the future.

Mr. Leboe: I wanted to ask the minister to explain what an advocate is. There is a reference in the clause to "barrister, solicitor, lawyer or advocate." These words appear also in clause 8. It is interesting to note that after a petition is brought before the court, the court can nominate a person of experience and training in marriage counselling or, in special circumstances, some other suitable person. I am wondering what an advocate really is. Perhaps the minister would relate his explanation to clause 8. I realize we are dealing with clause 7 but perhaps he could relate his explanation to clause 8 and give some clear explanation of what an advocate is.

Mr. Trudeau: Perhaps I should deal with that point first. As hon. members will recall, when you are in doubt about the meaning of a word in a statute of Canada you look at the translation. The words "barrister, solicitor, lawyer or advocate" are translated into French by the one word "avocat". I think the key to the enigma is that the bar of each province decides who has the right to appear before the court to present petitions for divorce. In some provinces they are called solicitors and barristers. The bar of each province will decide who is entitled to appear and the names given to these people will vary from place to place. I cannot explain exactly why the word "advocate" was used here except that perhaps some provincial bars use the word "advocate". From the context obviously it is any person who is entitled to present a petition for divorce.

• (5:30 p.m.)

On the same general problem, in dealing with the question of why we talk about reconciliation in these clauses the word "sop" was used. I am sure it was chosen with a little bit of irony. The truth of the matter is

that the government took the view that it should write into the bill provisions intended to go as far as possible to avoid divorce by ensuring that reconciliation procedures would be attempted. We did this not as a sop to the very responsible bodies which made representations to that effect but because we wanted to respond as ably as we could to the desire of the Canadian people to maintain marriage as the important institution it is and to put divorce in a very special place in our society. I can say that we went as far as we could under our constitutional authority.

The hon. member for St. Paul's gave the bill his support. I am grateful for his support. He indicated that if it did not go far enough we should try to do better. I agree with his comments. But I can only say here that to go much farther we would have to enter a field which is not strictly a federal field. As I explained in my opening remarks, in this bill we were faced with all kinds of constitutional difficulties, and it would have been simpler if we had sought an amendment to the constitution to transfer jurisdiction over marriage and divorce to the provinces. I hope nobody in the press catches this, but this would have permitted an easier solution of one aspect of the matter because the provinces, through their authority over social welfare, through their authority over the general matter of children, marriage and the consequences of marriage in a social sense, can do much more than we can in the area of reconciliation. Perhaps I should point out, Mr. Chairman, that the first part of my last sentence was partly facetious. We have authority over divorce. We legislate on divorce and we have gone as far as we can to write provisions respecting reconciliation into our laws.

To lessen the fears of the hon. member for Rosedale that we are going outside the spirit of the law by asking the lawyers and the judges to do this, I can only refer him to the laws of a number of countries which are guided by the same rule of law as we have. I would not mention France, which has a different system and which imposes upon a judge the duty to attempt reconciliation, but I would point out that in New Zealand the court is required to consider the possibility of reconciliation, and it may adjourn for that purpose. The adjournment there is for 27 days instead of the 14 days that we have provided. In Australia the court is also required to give consideration to the possibility of reconciliation. Once again, I say we did the best we could under our law. Perhaps in better times and under a different constitution we could have a different type of court, similar to those I was attempting to describe yesterday, which would be closer to the concept of administrative law. But once again for constitutional reasons we could not do this.

We felt we must not refuse altogether to tackle the problem, and we have tackled it by a measure that went as far as we felt we could under the constitution. I would gladly accept amendments if they could make it go farther, or I would suggest we take the attitude that, in later years, after some time for study of the application of this legislation, we should see if we can improve it.

Mr. Schreyer: Mr. Chairman, it is interesting to note that all the members who have spoken on clause 7 are members of the legal profession. Perhaps they should have a special concern because what is involved is the imposition of duties on lawyers who attempt to act in divorce cases. I listened carefully to the hon. member for Rosedale but I could not really determine whether he was opposed to the provisions of clause 7 because he felt they had no efficacy or because he felt they were undesirable. Perhaps he meant both. I am still not sure.

I would like to support the retention of clause 7 in the bill for the reason that it simply puts the onus on lawyers who presume to act in divorce cases to attempt to try to help toward the achievement of reconciliation between marriage partners who feel they have no way out but to seek divorce. It may be that some members of the legal profession will use the escape feature contained in subclause 1. It may be that some lawyers will simply ignore the provisions of clause 7 by consistently using the excuse that in the circumstances of the case it is clearly not appropriate for them to advise their clients that there are marriage counselling services, guidance facilities, etc., available. But in that case, let the onus be on the individual lawyer. Let his conscience bother him. I do not see why we in this parliament should remove the substance of clause 7 simply because it is felt that some lawyers may seek to ignore its provisions.

Mr. Leboe: Would the minister consider a situation where in a province someone other than a barrister, solicitor, lawyer or advocate presents a petition to a court? It seems to me that there are other qualified people who

could present petitions and if the provincial authority gave them that right they should be able to do so. This is something that should be left to the provinces, is it not?

I can see a real heyday for lawyers so far as money is concerned when they get into a situation like this with one postponement after another. The result will be that they will continue to add a little more to their fees and really go to town. It seems to me that we are putting the presenting of petitions solely in the hands of the legal profession.

Mr. Trudeau: This again is a matter for the constitution to determine. Under our system of law it is the provinces that are enabled to make laws for the administration of justice. So far as I know, and I think this is a pretty safe guess, all the provinces have decided what persons may appear before their courts and plead the law. I also think it is pretty safe for me to say that certain persons, if they are lawyers, advocates, solicitors or barristers, these being the four descriptions used across Canada, are entitled to represent other people before the courts. All provinces, in one form or another, describe those who are entitled by their laws to practice law, and generally this description is written into the provincial bar acts. But if a person wants to avoid going to a lawyer, this does not exclude the possibility that he can present his own case himself. I am quite sure that the laws of the provinces, at least of those I know, permit a person to act on his own behalf and appear in court to plead his own case. But those laws do not say that a marriage counsellor or a medical doctor, for instance, should plead divorce petitions before the courts any more than they would permit a skilful lawyer to operate on a patient for appendicitis. This is a matter of provincial determination.

• (5:40 p.m.)

Mr. Leboe: Mr. Chairman, should there not be some mention about an individual himself being able to plead his case? That is not mentioned in the bill. I am not a lawyer; I am merely seeking information.

Mr. Trudeau: That might be ultra vires.

The Deputy Chairman: Shall clause 7 as amended carry?

An hon. Member: On division.

Mr. Trudeau: On a point of order, Mr. Chairman, I do not think there was any amendment to clause 7. In any event, no amendment has been carried. The clause must either carry as it is or not carry.

Mr. Brewin: On the same point of order, Mr. Chairman, I recall that there was an amendment before us but I did not hear the amendment being put. Had it been put I should have voted against it.

An hon. Member: There was no amendment.

Mr. Cameron (High Park): There was the suggestion of the hon. member for York East. We did not vote on it. I want to say a few words on this clause because I support what the minister is trying to do. The thinking of the committee is well set forth on page 153 of the report in the following words:

> However, it is to be hoped that conscientious lawyers would do this without official urging.

Sometimes reconciliation is impossible. If a lawyer loses a case, so what? Every conscientious lawyer takes on that responsibility. The law is a profession; it is not a mercenary trade. The responsibility of the lawyer is to see that the law is carried out. That was the thinking of the committee.

Some hon. Members: Hear, hear.

The Deputy Chairman: Shall clause 7 carry?

An hon. Member: On division.

Clause agreed to.

On clause 8—*Reconciliation proceedings.*

Mr. Enns: I share the reservations that some hon. members have expressed about the efficacy of clauses 7 and 8 of the bill. Clause 8(1)(b) increases the number of disciplinary professions that may be involved in counselling. Paragraph (b) reads:

> (i) a person with experience or training in marriage counselling or guidance, or
> (ii) in special circumstances, some other suitable person,

I ask the minister why so many categories are included. I also ask him to recognize that effective work is being done by child care institutions, family bureaux and other agencies throughout the country. They do good preventive work and they have kept many families from appearing before the divorce courts because of their counselling and preventive work. I wonder whether the minister would accept a suggestion. I am not prepared to move an amendment at this stage. Could paragraph (b)(i) read this way: "a person or

agency with experience or training in marriage and family counselling". The other words in (b)(i) could be deleted. In fact, (b)(ii) could be deleted altogether. Would the minister accept this suggestion?

Mr. Brewin: Mr. Chairman, I want to deal with precisely the same question that the hon. member who has just spoken has raised. Someone who is in the social welfare field with the social planning council of Ottawa told me yesterday that in the Canadian field of social services there are some who have been trained in family counselling rather than in marriage counselling. If marriage counselling is to be regarded as a separate discipline requiring a separate form of training, few Canadians have been trained in that field. For that reason I prepared an amendment which I sent to the minister. The amendment would strike out the words, "marriage counselling or guidance" in (b)(i) and substitute the words "family counselling". The latter term, I understand, includes marriage counselling or what is purported to be guidance.

I bring this subject forward not because I have any knowledge in this field but because certain information was conveyed to me. The term that ought to be used in the bill is "family counselling". I agree with the suggestion which the hon. member for Portage-Neepawa brought forward. I do not wish to move a formal amendment since formal amendments have not been too successful. But I ask the minister nevertheless, to give this matter consideration. Perhaps he might suggest such an amendment.

Mr. Trudeau: The hon. member for Greenwood raised this subject yesterday. I have had time to reflect on what he said and I shall answer him at the same time as I answer the hon. member for Portage-Neepawa. I think the hon. member for Greenwood, who is sensitive with respect to constitutional questions, will understand my reasoning. I have no objection to the expression "family counselling" as such but I want the language of the bill to be as strict as possible. Though hon. members may have dissenting opinions on the matter, I wish to stick to the words of the B.N.A. Act which give the federal government jurisdiction over marriage and divorce but not over family matters.

Perhaps considerations having to do with the B.N.A. Act might not influence every member but I think they are important. I do not wish to give a pretext to any parties who might look at the bill for saying that the bill deals with subjects that directly or indirectly do not come within federal jurisdiction. I am certain that marriage and divorce come within federal jurisdiction but, on the other hand, family questions are mixed questions and are not entirely within federal jurisdiction. For that reason I do not think that we should spend too long on the words which have been suggested as amendments. The language of the bill is safe language, in my opinion.

The hon. member for Portage-Neepawa suggested that paragraph b(ii) should be eliminated. I thought that in some instances the court might decide that the family priest or pastor, who is perhaps not specialized in marriage counselling or guidance, would be the appropriate person to bring in as a counsellor. That is why the wording is as it is.

Mr. Enns: Since the minister is reluctant to delete (b)(ii) would he consider adding to (b)(i) the two words "person or agency". I wonder whether the bill as it now reads excludes the worth-while work that certain agencies now perform. Certain family agencies may be excluded from participating in guidance or counselling as the bill now reads.

The minister referred to the language of the B.N.A. Act. What he said may be very true. The minister, I am sure, wishes to see certain revisions made to that act. We are now in 1967 and the act could include some new words. It could well include the words "marriage and family counselling". Would the minister not agree that far from being revolutionary this would, in fact, be more in keeping with the usage of language which is common today—"a person or agency with experience and training in marriage and family counselling"?

• (5:50 p.m.)

I find a special difficulty with the word "guidance". In my mind guidance has very much to do with vocational counselling. Most guidance counsellors work in schools or universities and advise students on courses of training appropriate to their future careers. Perhaps the meaning as I have expressed it is too limited. Perhaps the minister could expand it. I would still ask him, though, to include the word "agency" and the word "family" so that the clause might read, "marriage and family counselling" and so on.

Mr. Brewin: The Minister of Justice said I was sensitive to constitutional issues and I hope he is right. But surely he is carrying a constitutional issue beyond any conceivable

relevance when he says that because we suggest in a clause dealing with a peripheral matter, that a family counsellor should be consulted we are in some way or another being unconstitutional.

After all, if the minister has been able to swallow clause 11 which deals with custody of the children of a marriage and the maintenance of the wife—and I do not know what is closer to being a family consideration than that—if he can swallow that camel surely he should not strain at the gnat in clause 8. I do not think this is an earth-shaking matter, but if the minister has found out that my information is correct, namely, that there is a group of people who are trained in family counselling and who happen to be the people most capable in Canada of performing the function referred to in clause 8, I wonder why what I must say appears to be a far-fetched constitutional argument should be dragged in to prevent a description of the officials who can help.

I point out that when we are through with family counsellors we can get any other persons to do the counselling. Surely the minister does not mean that reference to family counsellors would lead to constitutional difficulties simply because we do not put in the word "marriage" or "divorce" in every clause and subclause of the bill.

Mr. Trudeau: It seems to me we can rely on the courts to call on a marriage counsellor or a family counsellor. I think we can rely on their common sense. Even if an agency is called a family agency or family guidance agency, the courts could conceivably say that the people concerned must know a little about marriage.

I do not think this discussion is a very useful one. I used the word "marriage" perhaps because there was a slight constitutional bias in my mind in favour of a word appearing in the British North America Act, the subject of federal jurisdiction. I am not irrevocably wedded to it but I do not think it is worth while suggesting an amendment inspired by the idea that the courts would not use the services of people who happen to call themselves family counsellors instead of marriage counsellors.

I think the reason we used the word "person" instead of "agency" is that we did not want this to become impersonal. We think that, in fact, the courts will probably choose counsellors who are members of agencies, but there is nothing lost by using the word "person". Indeed, if one looks at the Interpretation Act one might even find "person" interpreted as being an agency on occasions. I am not sure. It might be the case.

Clause agreed to.

On clause 9—*Duty of court on petition.*

Mr. Brewin: In connection with this clause I have an amendment to move which I believe to be of some substance. It relates to subclause (1) (a) which provides that when divorce is being considered by a court it shall be the duty of the court to refuse a decree based upon the consent, admissions or default of the parties or either of them, and not to grant a decree except after a trial, which shall be by a judge without a jury.

Here I believe that what was intended was that a decree should not be based upon either written or formal consent presented to the court, or upon mere admissions or default in the absence of a trial. I think it was intended to deal with the question of proof or the manner of proof either of the offence or of the circumstances indicating marriage breakdown. But I would point out to the committee and the minister that a perfectly proper interpretation of the words I have referred to could give them a far wider meaning. They could mean that where there was consent basic to the circumstances concerning the ground for the divorce, the court must refuse the divorce.

It is my suggestion that this weakness could be cured very easily by adding two words to the paragraph which would then read as follows:

> It shall be the duty of the court—to refuse a decree based solely upon the consent, admissions or default of the parties or either of them—

And so on. The use of the word "solely" would indicate that it is the intent of parliament merely to deal with the question of how one proves the case upon which a petition for divorce is based, and that the reference is to formal consent or pleadings. This is important because it is quite possible that the intent of parliament could be defeated by some judge who would say that upon the evidence it appears to him that the parties consented, for example, to commit adultery or consented to a separation, and the petition was therefore based upon the consent of the parties.

The fact of the matter is that many divorces under the old system have involved an element of consent. No doubt this will

continue to be the case when the new system is introduced. I am not talking about collusion. I am talking about consent to the extent that the parties are in accord as to the facts or are aware of what is going to happen. In these circumstances I suggest it would be useful to clarify clause 9.

I do not know, Mr. Chairman, whether you propose to call it six o'clock and proceed with other business at this stage, but I have an amendment to present to the committee and I will read it in order that the minister may consider it. I move:

That clause 9 (1) (a) be amended and the following substituted therefor:

(a) to refuse a decree based solely upon the written consent, admissions or default of the parties or either of them, and not to grant a decree except after a trial which shall be by a judge, without a jury.

• (6:00 p.m.)

The Deputy Chairman: Order. It being six o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Rinfret): It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at the time of adjournment tonight are as follows: The hon. member for New Westminster (Mr. Mather), Unemployment Insurance—inquiry as to inclusion of hospital employees; the hon. member for Carleton (Mr. Bell), Public Service—request for reconsideration of increase refusal; the hon. member for Winnipeg North Centre (Mr. Knowles), Public Service—pensions of retired civil servants.

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

VAWN PIPE LINES LTD.

The house in committee on Bill No. S-17, to incorporate Vawn Pipe Lines Ltd.—Mr. Jorgenson—Mr. Rinfret in the chair.

On clause 1—*Incorporation*

The Deputy Chairman: Shall clause 1 carry?

Mr. Barnett: Mr. Chairman, we have before us in committee today a bill to incorporate Vawn Pipe Lines Ltd. which I have discovered was considered at the same sitting of the standing committee on transport and communications at which Bill No. S-16, to incorporate Cabri Pipe Lines Ltd., was considered. My examination of these bills indicates that there appears to be a good deal of similarity in form between them and that the powers set out in Bill No. S-17, as proposed for this company, are virtually similar in all respect to those contained in Bill No. S-16.

In the discussion earlier in this chamber the sponsor and his friend, the hon. member for Edmonton-Strathcona, made some effort to convince us that the proposed powers in this bill, as in the other one, really are not anything about which we need be concerned. If I may put it this way, an effort was made to suggest that these incorporations are simply what I might call paper tigers and that because they are we need not have any concern about the form of the bills and the powers which we are being asked to give the particular companies if they are incorporated. It was also suggested to us that we need not worry about them because they are subject to the provisions of the National Energy Board Act and the jurisdiction of the National Energy Board.

I have looked through this bill and I have read some of the discussion which took place during the committee hearing. I have refreshed my mind a bit about the terms of the National Energy Board Act under which the activities of this company will be governed if the company is incorporated. I am not at all convinced by the argument so far presented in relation to bills of this nature by the hon. member for Edmonton-Strathcona. In fact it seems to me that if one examines the proposed powers of this company in relation to the terms of the National Energy Board Act there is some ground for real concern about their request for power to go beyond, in many ways, the provisions of the National Energy Board Act in respect of holding properties and carrying on ancillary business.

One reason for concern is that the proposal is for incorporation of a company which would be authorized to construct and lay pope lines in all parts of Canada and beyond the borders of our country. In relation to the discussion in respect of the other bill I sought to draw some parallel between the situation that we may be creating now and

the situation which was in fact created in this country in an earlier era with regard to the charter of a multiplicity of railway companies. I do not intend to repeat the argument I advanced in connection with the other bill. However, I notice that during the committee hearing some inquiry was made concerning the area of operations this company has in mind if it should be authorized to go into business. Reference was made to an area in the northwestern part of Alberta close to the Alberta-B.C. boundary. I should like to read from the minutes of proceedings and evidence No. 9 of the standing committee on transport and communications, page 315. This is the evidence of Mr. Matheson. He said:

> At this time we are probably talking about only 30, 40 or 50 miles, in that area, depending on how far east we have to go of the B.C. boundary to pick up the product and move into B.C.

Then the hon. member for Wellington-Huron asked about the existing pipe line over the boundary in British Columbia. In the questioning the fact is brought out that Westcoast Transmission Company Limited operates in the field of gas and a provincial company known as Western Pacific Products and Oil Pipelines Ltd. transports crude oil. It is mentioned that these lines run roughly parallel to one another down through British Columbia. Apparently it is made clear that this proposal would enable the transmission of petroleum products west through the outlet leading to the British Columbia coast rather than through the Rainbow Pipe Line system which apparently operates in the same general area of Alberta.

• (6:10 p.m.)

The point that interested me was a question by the member for Wellington-Huron in which he remarked that it would appear as though there were going to be an awful lot of pipe line companies out there. I mention this to show there are members of the house who may not be very familiar with the geography of a particular part of the country but who are interested, if not concerned, about the great multiplicity of pipe line companies and the possibility of unnecessary duplication of pipe line construction.

The spokesman for Vawn Pipe Lines made it very clear that while in comparison they may not be as big as Westcoast Transmission they would like to be. This leads me back to the point I was trying to make during an earlier discussion, that by granting to company after company wide open authority and power to build anywhere and everywhere, as is proposed by the terms of this bill, we are setting up group after group of businessmen who think they are going to be able in effect to run the pipe line business of the country.

By setting up a multiplicity of conflicting and competing interests we will in my view have overconstruction and overexpansion of transportation facilities, in spite of the authority for regulation conferred by the National Energy Board Act. This concern is more pointed if one examines the National Energy Board Act to see what terms of reference are given to the board by that act. As I understand the act, practically no terms of reference are given to the National Energy Board. I other words, it is a board that, subject to the occasional and very spasmodic review of parliament, acts at any particular time in relation to the allocation of certificates for construction of pipe lines almost entirely on the whims or fancies of government policy as they exist at any particular time. This situation is far too closely parallel to the kind of situation which existed in the days of the railways building boom in this country.

The National Transportation Act passed by parliament during the 1966-67 session and as hon. members are well aware, there is reference in that act to pipe lines but pipe lines which are defined strictly as commodity pipe lines. By definition this does not include the kind of pipe lines used for the transmission of oil or gas. It is true there is a preamble to the National Transportation Act which purports to set out a general transportation policy for Canada, but that transportation policy applies only to commodity pipe lines. I do not want to attempt to say whether it is adequate, but as I understand it that is the situation. It applies only to commodity pipe lines which are covered under part II of the National Transportation Act. It does not in any way apply as a term of reference laid down by parliament in respect of gas or oil pipe lines.

This leads me back to the contention that the existing terms of reference in respect of licensing for the construction of pipe lines are not such as to satisfy me that it is advisable or desirable to go on passing bill after bill incorporating companies with wide open authority to construct pipe lines anywhere in the country. In fact, the principle involved in the incorporation of this company is concerned only with the construction of a very modest pipe line within a fairly limited area,

according to the evidence placed before the committee.

I am prepared to suggest in connection with this bill, as I did in connection with the previous one, that we should have a serious look at the advisability of continuing to incorporate companies of this kind. It is all very well to suggest that this is simply a matter of creating a corporate being, and I notice the National Energy Board Act says that pipe lines may be constructed and operated by companies, but this leads us to suggest that we ought to have a serious look to see whether it is necessary or advisable to allow groups to come before parliament with this kind of application for incorporation.

At this point perhaps I should draw the attention of the committee to another feature of this bill, and attention was drawn to this situation during the committee hearing by the hon. member for Kindersley. The terms of this bill, it was suggested, would give this company the power to get into the commodity pipe line business. In this respect it seems to me we are creating a situation in which the company will be given authority to operate under the National Energy Board Act and under part II of the National Transportation Act when that act is proclaimed and comes into being. Here again, in view of discussions we have had about a possible breakthrough in respect of commodity pipe lines it seems to me that by allowing as a matter of routine to any and all comers the right to enter this field, in addition to what they claim to be their immediate concern, the construction of a small pipe line for the transmission of petroleum products, we are opening up a real Pandora's box. If this is allowed to continue it seems to me it will become virtually impossible for any body such as the National Energy Board or the Canadian Transport Commission to maintain any kind of rationale because of all the conflicting interests and pressures which will be brought to bear.

The concern I am trying to express is by no means frivolous and I am not attempting to express an obstructionist view. I feel that hon. members should give consideration to a broader term of reference than apparently was dealt with by the transport committee. Indeed, when the transport committee meets to hear a particular applicant it cannot go beyond the terms of reference in questioning the proposals. I think it is up to the committee of the whole house to explore the broader aspects of whether the practice of incorporating companies such as this should be continued.

• (6:20 p.m.)

When I say that, Mr. Chairman, I am not in any way being directly critical of this applicant because the proposals contained in this bill have been put forward by others. No doubt counsel for this company, when assisting it to prepare the bill suggested the company should ask for all these powers, with the kitchen sink thrown in, as one might say. This is the kind of examination and consideration that I feel should be carried out in a broader context before we placidly rubberstamp these applications one after another as they come before us in committee of the whole.

Mr. Nugent: Mr. Chairman, the only thing that surprised me in the address just given was that the hon. member said he was not being frivolous or obstructionist. As to the rest of his speech, I have no doubt as to the sincerity, earnestness and ignorance displayed in the views he brought to bear on this subject. I have had private conversations with the hon. member and I said to him that his last speech was obstructionist and he managed to talk the bill out so that it went to the bottom of the list.

Mr. Barnett: The hon. member for Edmonton-Strathcona did a fair amount of talking himself.

Mr. Nugent: I gave him as much information as I could, and I thought this time I had better put it on the record rather than privately and quietly in conversation with him. First, if the hon. member wanted to know anything about this company's plans, in order not to waste the time of the house—there is only a certain amount of time for private members' bills—these questions could have been asked in the committee. Certainly the efforts of the New Democratic party in the committee are notably lacking. They are not interested. All they want to do is make sure that they kill these bills in the house. I want it on the record that this is a pipe line bill in the usual form, the form that has been settled by parliament, by both the Senate and the House of Commons, for a long time as being the most suitable for pipe line construction. I want it on the record that this is a Canadian company, Canadian owned, Canadian managed, and working in a Canadian field—the sort of thing I thought most of us in this house wanted to go along with.

The talking out of the Cabri Pipe Lines bill, as they are doing now with Vawn Pipe Lines, means that these bills will not be passed this session. As the New Democratic party members know, this means we will not be able to provide jobs for welders and other workers in the pipe line and construction industry whom most of us want to see working. The New Democratic party, by their tactics, are keeping these people from valid employment this winter.

There was no valid point of criticism in the speech just made, nor was there in the speech of the hon. member for Timiskaming when the previous pipe line bill was before the house. There has been no validity at all in so far as criticism of the form of this bill is concerned.

Mr. Peters: Mr. Chairman, would the hon. member permit a question? Was there any indication anywhere in the evidence that this company had any intention of building the pipe line this year?

Mr. Nugent: With regard to Cabri Pipe Lines, I am not sure what the evidence was that was given before the committee.

Mr. Peters: I am referring to this bill.

Mr. Nugent: With regard to Vawn Pipe Lines the evidence given before the committee was that some drilling companies are now engaged in drilling for oil and gas in the field. If those efforts are successful, and the indications are that they will be, there will be an early demand for this commodity. Bearing in mind the time necessary to go before the National Energy Board and the various provincial bodies, if the company is to be able to service those oil fields at the time the service is required they need this authority now. I am not sure whether this will take two or three months, and obviously the hon. member who asked the question could not care less whether or not there will be jobs this winter.

The hon. member who just spoke talked about paper tigers and setting up a company with unlimited powers. All we are being asked to do is set up a corporate entity with the capacity to do any number of things that the National Energy Board will give them the power to do in the national interest. This house has delegated to that board the responsibility of checking to see what powers are necessary, what areas the company may serve, to what extent they may serve and in what manner they may do it.

[Mr. Nugent.]

All this is known, of course, to these members. Any suggestion that this bill is wide open and the company can build anywhere for any purpose is just so much nonsense, as they well know. I cannot for the life of me understand the attitude of the New Democratic party members in making such a fuss with regard to other bills. They have talked out other private members' bills because, they said, there was not enough Canadian content in the company. They wanted to ensure Canadian ownership, Canadian capital in the company, Canadian management and that Canadian workmen would get the jobs. When we find all these conditions met by this company, as they were by Cabri Pipe Lines, the New Democratic party finds another excuse. Perhaps I am being unfair to the New Democratic party; it could be that it is simply the hon. member for Timiskaming and his helper who have decided that there is no better way in which they can show how powerful they are as members than by abusing private members' hour and saying that everybody must knuckle under to them and to any peculiar notion they have.

I suggest that if the will of parliament were supreme in these matters members would rise and voice their valid objections and then let the matter come to a vote in order that the house could decide whether in a matter of this kind we were giving wide open powers to a group that was irresponsible or that we were neglecting to exercise control. Since the members who talk out these bills are singularly unwilling to let them come to a vote, it shows they know they would have no support whatsoever in the house in trying to obstruct these worthy projects. When these members try to talk to us about their duty as legislators, I submit their words fall on rather unfertile ground.

There is no use my talking any further, Mr. Chairman. I am sure we will hear a long harangue from the hon. member, but I want it on the record at the time these members are speaking that if there is anything wrong in the form of this bill I have yet to discover it. In my conversations with them and from what they have said in the house I have discovered they have yet to bring forward a single valid criticism of the powers granted or show that they are unnecessary. I am willing to answer any argument in this respect.

This is the type of company that we want to encourage in Canada. It has the kind of

ownership that we want to encourage in Canada. There is good reason for not talking the bill out and for letting the matter come to a vote. If these obstructionists want to talk out these bills in order to build up their own ego, let them pick on a couple of companies that merit criticism. These are the wrong companies to pick on. Anybody with any understanding knows that these are companies that should not be picked on for this kind of treatment because they are exactly the kind of small businesses that we are trying to encourage in Canada. They have Canadian ownership and Canadian purposes.

The members of the New Democratic party always pretend to be champions of the working man. I hope that the various union people across the country, who through a levy on their union dues provide the funds that help elect these sort of people, will understand that their enforced contribution to the New Democratic party helps to make sure that there are no jobs available in this field this winter.

Mr. Macdonald (Rosedale): Mr. Chairman, I wonder whether I could ask the hon. member a question? The hon. member has recognized that he has run into some difficulty on this bill. Would he be agreeable to standing it this evening so that it will retain its place on the order paper? Then he would be able to have the full hour on it again on Thursday. I think there might be general agreement to such a procedure.

• (6:30 p.m.)

Mr. Nugent: Mr. Chairman, I am afraid that the hon. members who are trying to obstruct this bill, as they did the last one, have to take the responsibility for it. There is no reason for the bill not being passed. I hope it will be passed.

Mr. Germa: I heard it said on this side of the house when the hon. member for Edmonton-Strathcona was speaking that he made the same speech five years ago. I am surprised that he has been engaged in this activity for so long and yet has not become acquainted with the policy of the New Democratic party. He states that we want Canadian content, Canadian ownership, Canadian boards of directors, and everything Canadian. This is true; but I must also remind the hon. member that we have no more faith in Canadian boards of directors than in foreign boards of directors, because they are all motivated by the same principles; and I think the hon. member is quite familiar with the principles of the business world today.

I must also remind him that it is not only the N.D.P. that is objecting to the introduction of this type of legislation. The hon. member for Kindersley is certainly not a member of this party, and he moved an amendment in committee which would delete one of the provisions having to do with the movement of solids in the bill as it now stands. The hon. member for Kindersley said he had a feeling of guilt for taking what he thought was a rather superficial view of this provision for the movement of solids. In referring to other bills incorporating gas or pipe line companies which have been passed by the house he said he had a sense of guilt for not having objected to the passage of these bills. I am surprised that the hon. member for Edmonton-Strathcona gave full credit to the N.D.P. for seeing that justice is done in Canada instead of giving the credit to a member of his own party.

Mr. Nugent: Mr. Chairman, I rise on a point of privilege. I did not give credit to the N.D.P. for having a sense of justice. Instead I blamed them for obstruction. I think it is an insult to put the hon. member for Kindersley in the same class as the hon. member for Sudbury or the members of his party.

Mr. Peters: That is some point of privilege.

Mr. Germa: If the hon. member wishes to dissociate himself from the members of his party, that is up to him. However, he cannot dissociate himself from us without dissociating himself from a member of his own party. I have more respect for the hon. member of the Conservative party, who is not afraid to be called an obstructionist, if that is what the hon. member considers him to be.

I offer constructive criticism. We are not satisfied with the incorporation of a multiplicity of such companies. The hon. member is oversimplifying the situation, which is often the case when a complicated problem is reduced to simple terms of yes or no. If an hon. member happens to say no, the hon. member for Edmonton-Strathcona charges him with obstructionism.

I do not consider an application for the incorporation of a pipe line strictly in that limited sense. When we speak about the incorporation of these lines we must think about transportation as a whole, because certainly a pipe line is a mode of transport. We all know that the movements of solids either in capsule form or dissolved in another product will be the order of the day and may

turn out to be our major mode of transportation in this country. This is why we are concerned. If I had only my own interest at heart I could be doing better things by joining the other 235 members who are absent. Perhaps this is why rail transportation in Canada is faced with such difficulties. The lack of interest in the house may have been the cause of the predicament in which the Canadian National Railways finds itself, faced as it is with a debt in perpetuity. Our children and our grandchildren will be paying this debt to the bondholders. The company was not nationalized in the interests of Canada, but to make the bondholders rich. This is precisely why I object to the creation of a multiplicity of conflicting and overcompetitive pipe line systems without any regard for the over-all transportation policy in Canada.

The hon. member only wishes to consider a small corner in western Alberta. He wants a 30-mile pipe line to be run across the border. I admit this is only a small project, but how many bills dealing with the subject have come before the house in the last four or five years? I have only recently arrived in the house, but my colleagues in the party have told me what is going on and the attitude of this parliament with regard to the subject. Nobody seems to care what will happen to transportation in Canada. Who will take the responsibility for the effect these bills might have? Is it the job of the 25 hon. members who are present here today to determine transportation policy? It certainly is not. I object to these bills, endorsed by a private member, being brought before the house. In the long run, he does not have to take the responsibility for what happens.

These bills should be brought in by the government and it should take the responsibility for the ultimate result. No one bears the responsibility for the incorporation of these companies because by the time the effects are evident hon. members sponsoring these bills will be gone. It is a surprise to me that there are so few members in the house who take an interest and who try to come to a consensus on how the transportation policy of Canada should evolve.

Mr. Nugent: Would the hon. member permit a question? Does he not realize that the question is not how the transportation policy of Canada should be evolved? He should realize that the reason for the small number of hon. members in the house is that they are aware of the fact that if they were here they would have to listen to members like the hon. member who now has the floor.

Mr. Germa: That is what I referred to, namely oversimplification. The hon. member cannot think of more than one thing at a time. As I said at the beginning, these pipe line systems cannot be considered separately from the over-all transportation policy in Canada. They are inter-related; eventually they will conflict with each other and become a great burden on the taxpayer.

Some members have a high degree of faith in business. They believe that as long as it is business it must be good. I have nothing against business, but to me it is only a means of supplying me with a service. It is not an institution like the church or schools, which we have to perpetuate and develop. If I could supply my needs without business, I would do so. That is how much faith I have in business as it exists today.

Some people are more cynical about business than I am. When I visited the Yorkville area in Toronto, where the real cynics of Canada are concentrated, I met a girl who was selling toilet tissue at one cent per piece. I asked her what she was up to, to which she replied that she was a businesswoman and that as long as it is selling and people are buying she is doing business. She was highly cynical with regard to the business community.

I am glad I am not that cynical, but I do not have the faith in it that some hon. members here seem to have. In the long run the general public support business, and yet the costs of advertising, of competition and of overconstruction are being borne by the people of Canada. Business itself does not support this.

• (6:40 p.m.)

The support the business set-out in this bill will receive must come from the people, and therefore the people have a right to say where, when and how it will function. Parliament is the voice of the people, it is for that reason we are standing here tonight asking these questions.

The hon. member for Edmonton-Strathcona certainly should not be making disparaging remarks about the N.D.P. He has not said anything constructive so far, and he has not answered any of the questions.

Mr. Nugent: Ask your questions and I will answer them.

Mr. Germa: I should like to read what he said at the time we were discussing the other pipe line, as reported in *Hansard* at page 5442.

The Chairman: Order, please. I have been listening very carefully to the remarks of the hon. member. While I recognize there is a general debate on clause 1 of a bill of this nature, that general debate must be relevant to the bill before the committee. May I suggest to the hon. member for Sudbury that he confine his remarks to the bill before the committee. If he wants to quote from the debate on another bill, I must advise him the Chair would not consider that to be relevant to the bill before us.

Mr. Germa: Thank you, Mr. Chairman. I appreciate your interjection. I hope you will feel free to correct me at any time I stray from the rules of this house. I realize I am not fully acquainted with the multiplicity of rules for this chamber, and I do appreciate your guidance and instruction. I accept them quite readily. I should explain that I was going to quote those remarks because the committee report referred to the two bills in one sentence. The committee said both bills were in the same form and contained the same powers. I thought therefore I could relate them, but I accept your decision.

The hon. member did ask what we objected to in the bill. We have told him that we did not want to give Vawn Pipe Lines the power to erect townsites and, in fact, reduce a whole group of people to living under the federal system. This bill would give the company the power to buy and sell land, to construct streets, roads, sewers, instal electricity, and do almost anything an incorporated town would have the power to do. I do not see where such powers have any relationship to the export, transportation or refinement of petroleum products. However, these powers are in the bill.

The only argument put forward so far as Bill No. S-17 is concerned is that it is in the same form as other pipe line bills. This is precisely our objection, Mr. Chairman. Since we were wrong yesterday or we were wrong last year, does that mean we have to continue to be wrong for time immemorial? Are we never going to demand that these bills be put in a form which is acceptable to me and to the large following we have in Canada?

Mr. Nugent: How about the majority of the house; would that be acceptable?

Mr. Germa: I made a proposition which would enable these bills to be passed by the house. If the government would introduce the bills and accept responsibility for these pipe lines, then certainly the bills could be rammed down the throats of the people. So long as the bills are in this form, and no one takes responsibility for the mess which we are going to have in Canada as a result of this proliferation of pipe lines, then we will object. The passage of this bill would result in the construction of 30 miles more of pipe line.

The hon. member also criticized the fact we were going to stop welders from having work this winter and that we were delaying construction. There is nothing to indicate the company is going to start work now. They are still exploring and have high hopes of obtaining some product to transport. According to the committee report the company hopes eventually to get a product to transport. At the moment, they have nothing so we are not delaying the development of Canada. Certainly if the product were piling up waiting to be transported we would have to grant this incorporation for the immediate public good. We would have to disregard the long term effect. This certainly is not the case now. There is no oil or gas running out on the ground for lack of transportation.

I believe, Mr. Chairman, that is all I have to say about Vawn Pipe Lines at the moment. If someone were willing to delete or amend the powers in the bill to which we have objected, then certainly we would have no objection to a Canadian company being incorporated to transport a Canadian product and to supply work to Canadian workers. In fact there is probably no party in this house more concerned about labour than the New Democratic party.

If you just look at our members, Mr. Chairman, you will see the section of society from which they come. I believe the members of the other parties represent a different section of society. So, Mr. Chairman, I am unwilling at this moment, for the price of $1,200, to grant this hunting licence to Vawn Pipe Lines Limited.

Mr. Peters: Mr. Chairman, I will be prepared to ask the indulgence of the committee to have this bill remain at the top of the list for further debate, as we did with the Cabri bill, if the circumstances were similar. We were then of the opinion that Cabri Pipe Lines was sincerely interested in having a pipe line constructed. However, the Vawn

company, which is the same company under a different name, does not fit into that category. As the previous speaker said, the Vawn company is asking for a licence to hunt. They are going to hunt anyway, because they get that licence from the provincial government. When they find something, then we will supply them with the means of transporting and delivering it.

• (6:50 p.m.)

I agree with some of the remarks made by the hon. member for Edmonton-Strathcona. I certainly endorse those remarks which were related to the fact this is a Canadian company which is engaged in a Canadian development for the purpose of handling one of our natural resources. Really this company and the previous one should have formed only one company, but in the case of Vawn in particular more time is needed to reconsider just what they need. Today the hon. member for Edmonton-Strathcona is sponsoring this bill. I think he is a more appropriate sponsor for it than his predecessor. At least he comes from the area where these companies will be operating, while the previous sponsor came from another province.

The hon. member has referred to the National Energy Board as the regulatory agency, as the policeman of the federal parliament. I have looked up the National Energy Board Act, which was passed in 1959, and which has been amended a number of times since then. I find that in operation it has not done exactly what it was inferred it would do. It was the intention that the board would grant rights to a pipe line, once a pipe line company had been incorporated by parliament and received corporate identity. These rights that the board was to grant cover most of the rights which are laid out in this bill.

If hon. members turn to page 315 of volume 1 of the Statutes of Canada, 1959 they will find there Part V of the National Energy Board Act, dealing with the powers of pipe line companies. Section 2 deals with the general powers granted to pipe line companies under the act. It speaks about entering upon crown lands, and in subparagraph (b) uses these words:

—purchase, take and hold of and from any person any land or other property necessary for the construction, maintenance and operation of its pipe line—

In subparagraph (c) it uses these terms:

—construct, lay, carry or place its pipe line across, upon or under the land of any person—

[Mr. Peters.]

Subparagraph (d) reads:

—join its pipe line with the transmission facilities of any other person at any point on its route;

Subparagraph (e) uses these words:

—construct, erect and maintain all necessary and convenient roads, buildings, houses, stations, depots, wharves, docks and other structures—

Subparagraph (f) contains the following:

—construct, maintain and operate branch lines—

Subparagraph (g) says:

—from time to time alter, repair or discontinue—

Subparagraph (h) reads:

—transmit hydrocarbons by pipe line and regulate the time and manner in which hydrocarbons shall be transmitted—

And subparagraph (i) says:

—do all other acts necessary for the construction, maintenance and operation of its line.

Section 2 deals with a pipe line handling sulphur compounds obtained from an oil or gas well, or any product thereof. In other words, Mr. Chairman, we gave the National Energy Board the right to make all these decisions, and what we are being asked to do in this bill is duplicate those decisions. I point out that Part V of the National Energy Board Act, in section 80, winds up by saying:

Except as otherwise provided in this Part,

(a) this act shall be construed as incorporate with a special act, and

(b) where the provisions of this Part and a special act relate to the same subject matter, the provisions of the special act shall, in so far as is necessary to give effect to the special act, be taken to override the provisions of this act.

We have given the National Energy Board the authority to give the company the right to do everything that foreseeably it will be able to do. Now we are being asked through this special bill to give Vawn Pipe Lines the right to do all the things that it foresees within its expanded expectations.

Mr. Nugent: Within the capacity given to the company to accept that power.

Mr. Peters: I am not interested in what may not happen; I am only interested in the eventuality.

There is an interesting thing about this particular company. In the proceedings before the transport and communications committee of the Senate on June 29 of this year Mr. Matheson, one of the witnesses for the company, was asked how far the pipe line would extend and he replied that it would extend approximately 17 to 18 miles. But on November 28 the same gentleman

said they were talking about 30, 40 or 50 miles, depending on how far they had to go to pick up the product and move it into British Columbia. This company has a great propensity for convincing itself of its expanded requirements.

I think both of these pipe lines are excellent ones. In my view the company's original proposition was worth while and could be supported. I and members of this party will support it, but we will not support all the junk that goes with it. Of the 11 private bills on the order paper, five deal with pipe lines. These five companies are asking for powers that they will never use. Had Vawn Pipe Lines Limited just wanted to build a pipe line to collect from an oil or gas well that has not yet even started to produce, and was not opposed by Westcoast Transmission and other pipe lines, we would be agreeable. I hope the sponsor of the bill will convey to the company our willingness to acquiesce in any reasonable projection.

Mr. Nugent: You have given no suggestion of any reasonable projection. You simply say, "Don't ask for this power," but there is no practical limitation of power that you can suggest, or that I may suggest, in which you will acquiesce. Give us some reasonable suggestion, and not just say that we must clean up the bill in order to suit you.

Mr. Peters: If the hon. member will sit down and read the evidence given before the Senate committee and the House of Commons committee, and then study the bill that was drafted following those proceedings, leaving out the one amendment that was moved, I think he will not find it difficult to draft a bill that will get a better hearing than this one.

The Chairman: Order. The hour appointed for the consideration of private members business has expired.

Progress reported.

Mr. Deputy Speaker: The house will now resume the business that was interrupted at six o'clock.

DIVORCE

MEASURE RESPECTING GROUNDS, JURISDICTION, JUDGES, ETC.

The house resumed consideration in committee of Bill No. C-187, respecting divorce —Mr. Trudeau—Mr. Batten in the chair.

At seven o'clock the committee took recess.

27053—355½

AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

The Deputy Chairman: When the committee rose at six o'clock the amendment moved by the hon. member for Greenwood (Mr. Brewin) was being considered.

[*English*]

Mr. Trudeau: Mr. Chairman, I am rising to speak about the amendment which the hon. member for Greenwood proposed. I dealt with this subject previously when I was asked whether the word "consent" in this clause would bar the possibility of parties consenting to separate for three years. My reply is that the matter has reference to procedure within the court. It cannot be taken to have meaning within any other context.

I see no harm in that part of the amendment that the hon. member suggests. Possibly there may be usefulness in accepting it. I do not mean to belittle the amendment. If the introduction of the word "solely" before the word "upon" would achieve a greater degree of precision, I should welcome the amendment.

I am not so enthusiastic, however, about other parts of the hon. member's amendment. I refer to the word "written" before the word "consent". It seems to me that by adopting the word "written" we should destroy the precision of the sentence. In other words, if there were "written consent" in the clause, the courts might be inclined to judge *a contrario* and to say that a verbal consent was not written consent and that therefore they need not necessarily refuse the divorce.

While we are waiting for other hon. members to enter the chamber perhaps I might move a subamendment to the effect that I have outlined. If the hon. member who moved the original amendment would agree not to insist on the word "written" I should have no objection to including the word "solely". That word corresponds with our intention, and therefore I welcome it.

Mr. Brewin: Mr. Chairman, I am so overwhelmed by the flexibility of the minister that I gladly accept his suggestion. I think he is quite right; we do not need the word "written". The word "solely" is perfectly adequate. I do not know the right way to go about amending the amendment. In any event, should the minister move the amendment he suggests, I should gladly accept it.

The Deputy Chairman: Order, please. It might be easier if the hon. member were to withdraw his amendment and move a fresh amendment.

Mr. Brewin: With your leave, Mr. Chairman, and with leave of the committee I shall withdraw my original amendment and substitute the amendment which would add the word "solely" before the word "upon".

The Deputy Chairman: Has the hon. member leave to do that?

Some hon. Members: Agreed.

The Deputy Chairman: Is it agreed that the hon. member for Greenwood has leave to withdraw his amendment?

Some hon. Members: Agreed.

The Deputy Chairman: For the information of members of the committee the hon. member for Greenwood, in his new amendment, moves:

—that clause 9 (1) (a) be amended and the following substituted therefor:

(a) to refuse a decree based solely upon the consent, admissions or default of the parties or either of them, and not to grant a decree except after a trial which shall be by a judge, without a jury.

Amendment agreed to.

Clause as amended agreed to.

On clause 10—*Interim orders.*

[*Translation*]

Mr. Forest: Mr. Chairman, with regard to clause 10, on second reading, the Minister of Justice (Mr. Trudeau) indicated in his reply that jurisdictional conflicts should not be allowed to interrupt the study of a divorce bill. I fully agree with him, but clause 10 of the bill provides that the divorce division of the exchequer court could make orders with regard to alimony and the custody of children.

Now, could the minister tell us which will have precedence, the divorce division of the exchequer court, the superior court, or a provincial court, such as the welfare court, regarding the custody of children, or if agreements will be entered into with the provinces in that connection, in order to avoid any jurisdictional conflict, if, for instance, a decree has already been granted and, afterwards, a petition for divorce is submitted by one of the parties wishing to have the judgment of the courts, already rendered in that regard, reviewed or amended? Could the minister enlighten us on that matter?

• (8:10 p.m.)

Mr. Trudeau: With pleasure, Mr. Chairman. I have indicated that this problem deserved consideration and I am happy to be reminded of this by the hon. member for Stanstead (Mr. Forest) at this stage.

I think that if proceedings in separation have been started in the provincial courts with subsidiary or corollary relief concerning the custody of the children, alimony, etc., and that, later, a petition for divorce is introduced and accepted by the courts, it seems to me that when a divorce decree becomes absolute, there does not seem to be any doubt that a divorce having occurred, judicial separation ceases to exist and, as a result, the corollary relief ordered under the separation decree would also cease to exist. In other words, and I base this on the jurisprudence of our courts, when a divorce decree occurs, the bond is broken and there is no longer any question of separation of bed and board because, under the law, there is no longer any marriage.

Therefore, the effects resulting from a judicial separation no longer exist, as would be the situation if one of the parties died. There is a breach of the marriage bond, there is a breaking off of the cause which resulted in subsidiary effects and, therefore, in such a case, the federal act on divorce would prevail, not because of a precedence of the federal act on the provincial act, but because the decree of divorce, once again, destroys the very bond of marriage and thus destroys the effects which may result from a decree of separation. The conflict would be resolved in that way.

The other hypothesis which might be proposed in theory would be: Could the court which granted a decree of separation amend its decree after the divorce? Certainly not, since the divorce ended the marriage.

This brings me to deal with another question raised the other day by the hon. member for Quebec-Montmorency (Mr. Laflamme) about the conservatory measures which can be taken under the Civil Code and the Code of Civil Procedure now in force in the province of Quebec, and which should be taken before the superior court. There is no doubt that those measures of conservatory attachment could not be regulated under our act because, as accurately pointed out by the hon. member, those are measures concerning civil property and rights, and the central

government is unable to legislate directly in that field, even if it wanted to. Therefore, the hon. member was right to suggest that, in such a case, the parties in the province of Quebec—and I think that the same reasoning would apply in the other provinces where, as we know, separation legislation exists —should take another petition in separation with the conservatory measures before the civil court, if that were necessary to protect his share of the common property.

This leads us to the conclusion that everything would be much simpler if, first of all, federal legislation regulated not only divorce, but also separation from bed and board. I indicated at the resolution stage that we intended to hold discussions with the provinces in an endeavour to deal with this problem of separation from bed and board and, if possible, treat it in the same way and deal with it in the same legislation as divorce. Secondly, I said that we were hoping the provinces of Quebec and Newfoundland would decide to follow the wise advice of the hon. member for Quebec-Montmorency (Mr. Laflamme), according to whom it would be greatly beneficial to the parties if these provinces were to use clause 22 of our bill to allow the superior courts of Quebec and Newfoundland, rather than the exchequer court, to apply the federal legislation.

Mr. Laflamme: Mr. Chairman, I should like to ask the hon. minister just one thing. Subclause (b) of clause 10 says:

—for the maintenance of and the custody, care and upbringing of the children—

When referring to children, in clause 10, are we referring to the definition of children given in clause 2, subclause (b) which says that they are under 16 years of age?

Mr. Trudeau: Yes, Mr. Chairman, since the courts acting under this bill would have no jurisdiction over the children who are over 16 years of age and that is why we have insisted a little on the interpretation clause which gives a definition of "children".

Of course, the problem which we face is this: what would happen to children over 16 years of age, and for an answer to that problem I refer the hon. member to a statement which I made earlier, to the effect that the rights of the children born from the filiation, under the Civil Code, subsist and could be pleaded under other proceedings. Therefore, a child 18 or 20 years of age would have other recourses against his father, but they would not be available to him under this legislation. I must add that this is true also for the other provinces, since all of them do not accept the age of 16 as the age when obligations of custody and so on cease.

[*English*]

Clause agreed to.

On clause 11—*Orders granting corollary relief.*

Mr. Aiken: On clause 11 my hon. friend from Kamloops had intended to raise a point concerning the need for more definite inquiries on the part of the court into the circumstances of the parties. The suggestion is that a duty should be placed on the court to do more than is required by this clause—that another form of words should be used which would oblige the court to make inquiries.

With this in mind I suggest to the minister an amendment along these lines:

That clause 11 be amended to read:

(1) Upon granting a decree nisi of divorce the court shall, if it thinks it fit and just to do so . . . make one or more of the following orders—

Then the clause would go on to paragraphs (a), (b) and (c). The substitution of "shall" for "may" would I believe strengthen the bill. This would make it more certain that we really do intend to protect the spouses, particularly the wife and the children.

Before deciding whether this should be put forward as a formal amendment I should like to know whether the minister would be sympathetic toward such a proposal.

• (8:20 p.m.)

Mr. Trudeau: Once again my intention here is the same as that of the hon. member for Parry Sound-Muskoka. I suggest the wording of the bill meets the intention he has in mind. The court may make one or more of the following orders, which is his phrase. He indicates, however, that perhaps the court should have regard to "the condition of the parties", and so on. I suggest that the way it is spelled out here amounts to the same thing. If the court thinks it is fit and just to do so, "having regard to the condition of the parties" and so on, this means that the court must have "regard to the conduct or condition of the parties", and so on, in order to know whether it is fit and just to do so. In other words, the court cannot just decide whether it is fit and just, in the abstract. It will decide whether it is fit and just, having had some look at the evidence and after

having looked at some substantiation of the fitness. The way to do so would be to have "regard to the conduct of the parties", and so on.

Therefore I suggest that the other wording may be more happy wording, but I believe this present wording meets the same end and perhaps has the added advantage of not imposing upon the courts any obligation which it obviously must not fulfil in any great detail.

I have in mind a case where perhaps one of the parties is dead, has gone or has disappeared. The court will have regard to this, but it does not have to make a very detailed investigation into the moral conduct of that disappeared person because there is no question of that person being given the custody of the children. Therefore I do not think the amendment is absolutely essential, and under the principle of Occam's razor, I suggest it should not be accepted.

Mr. Fulton: Mr. Chairman, I would ask the minister to reconsider this matter because, without reflecting on the merits or demerits, it seems to me that what is being done by this bill is not only to regularize divorce but make it easier. Earlier in respect of clause 7 and other clauses we had discussion about the obligation which it is suggested falls upon various people to bring about reconciliation, and the criticism that perhaps this is not a proper function to impose upon the advocates who represent the parties in these proceedings, a suggestion with which I concur. If the minister, however, is prepared to impose upon the lawyers the obligation of attempting to bring about a reconciliation—an obligation which may be both too late in time and misplaced after the onus has shifted—then, it seems to me he should also be willing to ensure that the courts will carry out a function, which will now properly belong to the court, not of trying to bring about a reconciliation of the marriage but rather of ensuring that the consequence of the breakup of the marriage does not bring hardship to the children of the marriage.

It seems to me that what is the concern of the clause should be the concern of the bill. I believe that the concern is suggested somewhat casually in a sort of passing fashion in the following words:

> Upon granting a decree nisi of divorce, the court may, if it thinks it fit and just to do so having regard to the conduct of the parties and the condition, means and other circumstances of each of them, make one or more of the following orders—

So, it may do so if it thinks fit having regard to the circumstances. There is no obligation upon the court to inquire into the circumstances. There is no obligation upon the court to decide whether the circumstances properly require the making of some order to ensure that the welfare of the children is provided for, and to ensure that there is proper provision for the injured spouse.

What the amendment seeks to do is to ensure that the court, which I submit can discharge this function, will accept as an obligation upon the court the function of ensuring the welfare of the family. The old principle of wards of the court gives testimony to what I am saying. In respect of a bill which is designed to rationalize a divorce, and to ensure that there will be a larger number of cases with regard to which divorce may be granted by the court—divorce having all the consequences it has with respect to the family and children—I suggest it is proper and indeed essential that the legislation should direct the courts to the extent that they will have an obligation to inquire into the circumstances of the family, and make an order accordingly. Therefore, Mr. Chairman, in order to bring the matter to a head. I should like to say that I hope the minister will reconsider this matter. I wish to move the amendment which I believe my colleague the hon. member for Parry Sound-Muskoka has already read to the committee.

Mr. Trudeau: This is perhaps one case in which we can demonstrate the utility of publishing the statutes in both languages and illustrate that it is useful to lawyers to have both texts of the statute in order to know what really is meant. Especially when debating with the hon. member for Kamloops I know I do not have to apologize for speaking in French.

[*Translation*]

If we look at the French text, it is clear that clause 11 intends to achieve what the hon. member wants, and I have tried to show this by reading the English text. I feel that if we look at the French text, it becomes even clearer:

> —the court may, if it thinks it fit and just to do so, make one or more of the following orders—

Then, it is precisely what the hon. member wishes as far as orders are concerned.

> —the court may, . . . make one or more of the following orders—

But after that,

> —if it thinks it fit and just to do so,

We have:

—having regard to the conduct of the parties and the condition, means and other circumstances of each of them—

Mr. Chairman, the parenthetical clause, the one between comas, a sort of ablative absolute, if I may refer to the classics, is the one that is important and should be taken into account; the court that would not consider the conduct of the parties, as well as their condition, would, I suggest, be overruled in a court of appeal, because it would have acted in an ill-advised fashion that would not correspond with the French text and, also, I would say, with the English text.

Once again, Mr. Chairman, it is not a substantive matter. I agree with all the hon. member has said and with his purpose to make the obligation of the court more specific; but I would suggest to him very humbly that the French text does that and, such being the case, it is not necessary to accept the amendment.

[*English*]

The Deputy Chairman: For the information of members of the committee perhaps I should read the amendment moved by the hon. member for Kamloops. It is as follows:

That subsection (1) of Section 11 be amended by deleting lines 16 to 20 thereof, and substituting the following:

(1) Upon granting a decree nisi of divorce, the court shall make such inquiries as may be necessary to determine the condition, means and circumstances of the spouses and the children, if any, of the marriage, and may make such one or more of the following orders as shall seem fit and just having regard to the conduct of the parties and the circumstances disclosed by such inquiry, namely:

Mr. Fulton: Mr. Chairman, I appreciate what the minister has said in respect of the meaning of the clause in the French language, but I think the minister will agree with me that the courts in English speaking Canada do not read French, and therefore will be governed by what the English text says. I am aware that the nuances of the French language are sometimes more precise in that beautiful tongue than they are in English, but we are dealing here with the English text, which is the text with which the English speaking courts will be dealing.

• (8:30 p.m.)

If the minister wishes I would confine my amendment further by saying that the text of the English bill should be amended as follows, thus leaving the French context with the precision the minister suggests it already has.

Mr. Basford: Would the hon. member permit a question? I take it that his objection really is that "may" is permissive rather than mandatory. Can the hon. member imagine a situation in which a court or judge would think it fit and just to make an order but would not make the order?

Mr. Fulton: Frankly I cannot think of a situation where it was felt to be fit and just to make an order but the judge would not make such an order. I want to be sure by this amendment that the court will have the obligation to make the inquiry, so that it will then know whether it is fit and just to make an order. The court cannot know until it has made an inquiry. It is the making of the inquiry that I want to see mandatory.

Mr. Trudeau: Supposing one or both of the parties had not asked for such subsidiary relief, why should it be mandatory for the court to make an inquiry? If there was no need or desire on the part of the parties for such to be done, why should the court be required to do so? This clause is permissive and empowering, and not one which must apply in all cases.

Mr. Fulton: My answer to the minister is that it is precisely because the parties may omit the seating of such an order that I think it should be mandatory upon the court to inquire into the circumstances. The court should inquire to see whether there are children whose welfare has not been brought before the court by the pleadings of the parties. It is an obligation of the court, when it is proceeding solemnly in respect of the dissolution of a marriage and the breakup of a family, to find out whether there are children whose welfare is affected, and to find out whether the welfare of those children is properly provided for, and then to make such order as seems just and fit. If the parties have properly provided for these children, then it will not be necessary to make an order. I have left the permissive word "may" in that part of the amendment. The mandatory word relates to the making of the inquiry to satisfy the court as to the circumstances.

Mr. Brewin: Mr. Chairman, I have the feeling that the amendment proposed by the hon. member may not be necessary because nearly all courts are required in matrimonial matters including divorce by their own rules of practice to have disclosure as to whether

there are children of the marriage and what provision has been made for them. However, I cannot see what possible harm the amendment could do. I am speaking about the English language, not the French, and I cannot see what possible harm it could do to underline the fact that it is the duty of a court in dealing with the dissolution of a marriage to deal with the ancillary matters and to deal with the obligations that arise from a marriage. Certainly an inquiry into the means of a spouse, to see that she or he and the children are properly looked after, is an obligation.

The case might arise where the wife had not put forth her case, as she should for some reason, such as intimidation or something of the sort, or where the husband and the wife wanted to forget about their responsibility for the children. This amendment merely makes it clear that the court should do what I think it would normally do as a matter of course.

In my opinion there should be an obligation on the tribunal that pronounces the dissolution of a marriage to see that these matters of the family which are essential to the marriage be dealt with because, if one thing is clear, it ought to be that dissolution of marriage is conditional upon people living up to their obligations to the children as well as possible. Sometimes it is not completely possible, but they should as best they can live up to their obligations. The amendment makes that abundantly clear. I do not think it does any harm, but it will make clear what I am sure many responsible courts would likely do in any event. Why not make that clear while we are at it by accepting the amendment?

Mr. Trudeau: In answer to the hon. member for Greenwood, if he is indicating that there should be a duty on the courts to make such inquiries, I suggest that the duty already exists in clause 9 paragraphs (d) (e) and (f), which make it clear what are the duties and obligations of the court. It is spelled out that we must consider questions in respect of the children and the spouse.

Once again let me say that clauses 10 and 11 are empowering, and make it necessary that the courts applying these divorce laws will have the power by statute to do something as regards the spouse and children. We wrote this in to make it clear that, in our minds, the application of our laws must be taken into account regarding those things we have been discussing with the hon. member for Stanstead and the hon. member for Quebec-Montmorency. This would make it clear that the court is empowered to do these things and it must do them in certain circumstances as spelled out.

Mr. Brewin: The minister referred to paragraphs (d) (e) and (f) of clause 9 which has already been dealt with by the committee. Are not all those paragraphs applicable to divorces granted under clause 4 of the bill, which does not refer to clause 3? Clause 3 is the one which deals with matrimonial offences other than because of breakdown. Surely if there is an obligation to deal with these matters, clause 11 covers all decrees nisi, whatever the basis may be, whereas clause 9 paragraphs (d) (e) and (f) do not relate to clause 4. It does seem to me that clause 11 covers the whole thing, together, and should be of universal application.

Mr. Trudeau: Admittedly the duties of the court to which I referred apply to the breakdown aspect of divorce cause, and not to the offence cause; and this is the way it should be. Surely the hon. member would not want the existence of or the consideration for the children to be an absolute bar to divorce granted on the ground of adultery. If he does, he is going backwards from our present law. Under our present law the judge is not obliged to look into the situation of the children, if adultery is the ground for divorce. All we are doing by clause 9 is spelling out this kind of bar that applies in the case of breakdown. Once again this is the clause that spells out the duty of the court. Clauses 10 and 11 are empowering clauses. I made reference to a certain part of the French text, and I think this is even more clear in the English text, which reads "having regard to the conduct of the parties". That is to say, the court must have regard to the conduct of the parties. I cannot accept the amendment as I do not think it is a useful one.

• (8:40 p.m.)

Mr. Otto: On this question, Mr. Chairman, I believe that hon. gentlemen opposite, belatedly but nevertheless realistically, are concerned about the vast question that presents itself, namely who are the parties to the marriage? To presume that there are only two, the husband and wife, is of course to deny the whole status of marriage, which affects all the children of the marriage. Indeed, where a decree is made it affects not only the husband and wife but the children, whose position is changed. I believe the concern expressed by hon. members opposite is

quite real. They want included in clause 11 a provision that is more than just permissive. They want the clause to provide that it is the duty of the court to make an order which includes the rights and disposition of the children.

The minister has said that this matter is covered in clause 9 (d) (e) and (f). I do not agree, because clause 9, in paragraphs (d) (e) and (f) appears to cover the case where a decree is not granted, whereas here we are talking about a case where a decree is granted. Whether or not the petitioner begs the court to make this order is not the issue. Indeed, that is of no consequence if it is the duty of the court to do so.

Hon. members opposite wish the bill to provide that regardless of the desires of the two main parties, the husband and wife, the court shall make this order and this investigation. I put it to hon. gentlemen opposite, and in this I agree with the hon. member for Vancouver-Burrard, that at the present time there is in the laws of the provinces a provision—in fact, there are several such provisions—that the court shall look into these matters and consider them. It may be argued that this is a provincial area and if a province decides to move out of this sphere the children of Canada should be covered by federal law.

In that case, this is a question to be decided here. I see no objection to such an amendment and I am completely in favour of it. I would like it to be set down on the record that there are not two parties only to a marriage. If there are children, each child has rights equal to those of the husband and wife of the marriage, and his or her rights should be protected in any decree granted or order made by a judge.

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

Some hon. Members: Question.

Amendment (Mr. Fulton) negatived: Yeas, 37; nays, 50.

The Deputy Chairman: Shall clause 11 carry?

Clause agreed to.

On clause 12—*Payment and conditions.*

Mr. Fulton: Mr. Chairman, I have an amendment to move to clause 12 as follows:

That clause 12 be renumbered as clause 12 (2) and a new clause 12 (1) be added as follows:

12 (1) Where a court makes an order pursuant to clause 10 or 11, it shall have regard to the laws of the province of domicile of the petitioner related to each of the matters referred to in the said clauses, and shall make its order as nearly as possible in consonance with the laws of such province.

The substance of this amendment is suggested by the hon. member for Carleton and I have pleasure moving it for him. The committee will recall the arguments the hon. member has already made as to the necessity of bringing this law into conformity with provincial jurisdiction, preserving the principle of provincial control of provincial courts and providing that any decrees, and so on, made should have regard to the form and substance of provincial law, the principle mentioned a moment ago by the hon. member for York East.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Trudeau: Mr. Chairman, I hate to delay the committee on this matter but I think I should indicate, in fairness, that the hon. member for Carleton gave me notice of this amendment and I have prepared a little argumentation against it. I do not want necessarily to deliver it if the committee feels it is well informed in this regard.

The purpose of the amendment is laudable, especially as it may help to solve certain problems as to the custody of the children of a marriage. However, on reflection, I have found that it would create many more problems than it would solve. Amongst other problems, it would tend to create a situation where the parties would shop around for domicile in whatever province happened to better suit their action. It would tend, and this is more serious, to perpetuate different treatment being afforded under different provincial laws, whereas we are trying to seek some sort of uniformity.

Such a provision would be of difficult application in the case of an action brought in one province by a petitioner who was domiciled in another. It would make it difficult for the court to decide the question of the domicile of the petitioner if it happened that the petitioner was petitioning in another province. There are many other difficulties inherent in the amendment, Mr. Chairman. I do not think I need go into them in detail, but the amendment would not provide as happy a solution as would appear to be the case.

The Assistant Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Fulton) negatived: Yeas, 21; nays, 71.

The Assistant Deputy Chairman: Shall clause 12 carry?

Clause agreed to.

• (8:50 p.m.)

On clause 13—*Decree nisi.*

Mr. Baldwin: Mr. Chairman, I should like to ask the minister a question on subclause 3 of clause 13 in which it is provided that:

> Where a decree nisi of divorce has been granted but not made absolute, any person may show cause to the court why the decree should not be made absolute,

Does the minister not think that he is inviting a great deal of difficulty by extending the power to any person, whether or not they have a vested interest or a concern in the matter, to make an application to the court to prevent the granting of an absolute decree? There may be a valid explanation for it, and I can understand that one might give the right to intervene if necessary to people in authority, such as the Queen's Proctor in various provinces. But why should any person have that right? I may have misread the clause.

Mr. Trudeau: I think the hon. member's reading of the clause is valid. He interpreted correctly the meaning which went into the writing of the clause. The person in question could be the Queen's Proctor or, under the Quebec law, a public officer who represents the state. However, as has been said often in this debate, the dissolution of marriage is a formal and public act which is of concern to the state and to society. The approach adopted in drafting the clause was that any member of society who has information relevant to this issue should be entitled to bring it forth. This is perhaps a less formal way of obtaining the same result as if we had empowered a special official of the state to represent the public interest, as is done in some countries, or if we had empowered an officer of the courts or of the government to plead the public interest.

I have no further explanation to give on the interpretation of this clause. Its terms are perhaps broader than the hon. member would have liked. It does not seem to me to be a clause which could easily be abused, and it is an indication that since the public has an interest in the issue it should be allowed to enlighten the courts if possible.

[Mr. Trudeau.]

Mr. Johnston: If collusion is discovered after the divorce decree nisi is granted, would it not make more sense to treat collusion as some other form of crime and impose a fine or some sort of penalty, rather than rescind the decree, because surely not much can be made of a marriage already broken up, where two people are joined together in collusion.

Mr. Trudeau: The reasoning behind the clause is that we do not want to recognize divorce solely by consent, if I may borrow the phrase used by the hon. member for Greenwood. If we merely punished collusion by the imposition of a fine or in some other way it would be tantamount to saying that divorce by mere consent can be granted, but a fine may have to be paid if collusion is discovered.

Clause agreed to.

Clauses 14, 15 and 16 agreed to.

On clause 17—*Appeal to court of appeal.*

Mr. Brewin: Mr. Chairman, all I wish to do with regard to this clause, and it would apply equally to clause 18, is to ask the minister why it is necessary in this measure to deal with the matter of appeals. As I understand it, and I may be wrong, the provinces have under their judicature acts a series of appellate courts which provide for appeals from final decisions of the supreme courts, and the Supreme court of Canada deals with appeals from the decisions of the appeal courts of the provinces. It seems to me to be a mistake to incorporate in each federal act a new code relating to special appeals with regard to this subject matter. I appreciate that, for example, the Criminal Code is quite different. In the Criminal Code special provisions relating to criminal matters require a special hierarchy of appeals and the normal judicature roles would not apply. But I ask the minister why it is not sufficient to leave the matter of appeals from judgments made by the court to the provinces? Anyone who has had to deal with appeal courts knows that appealing under the precise statutory rights of appeal often creates many problems, and that it is simpler and better to rely upon the general rights of appeal which have been worked out over the course of time.

Mr. Trudeau: The explanation is that here again we wanted to make sure that we would not perpetuate a different approach in various provinces. We wanted to reach a degree of uniformity which would be compatible with the freedom of the provinces to administer justice as they wish. To use an expression employed earlier, we do not want the parties shopping around to find a province whose appeal provisions would suit them best. We have allowed in sections of this act a great degree of latitude as regards the rules of procedure and the rules of evidence, and we have shown that it is the intention of the present statute to respect the procedural differences among the provinces. However, we feel that in a new statute such as this one which is breaking ground in the divorce law, it is for the good of the country for the courts across the land to view the divorce law with a certain degree of uniformity. In other words, we want to avoid a different application of divorce laws by the various provinces. It is with this in mind that we decided that appeals should be dealt with in a uniform manner.

Clause agreed to.

Clause 18 agreed to.

• (9:00 p.m.)

On clause 19—*Rules of court.*

Mr. Baldwin: I want to take one minute to direct the attention of the minister to the possible dangers which may be inherent in subclause 2 of clause 19. By clause 14, which we have already passed, a decree of divorce granted under this bill shall have legal effect throughout Canada. This includes the decree of divorce and ancillary orders affecting the children, alimony and maintenance. There has been built up in the provinces a jurisprudence with regard to the custody of children. You will find at the present time decided cases in some of the appellant tribunals of the provinces which have been decided upon somewhat different principles.

I suggest to the minister that any attempt under subclause 2 of clause 19 by the governor general in council to pass regulations dealing with the provision for the registration and enforcement of orders covering the custody of children, the allowance of alimony and maintenance, should be handled very carefully. This may be a very delicate situation. The minister has already drawn to our attention the effect of some of the provisions in this bill.

He is aware of the problem in the constitutional area. I hope, without in any way attempting to dilute the effect of clause 19, that the minister will exercise the utmost care in fixing regulations which would supersede the regulations made under provincial authority.

Mr. Trudeau: The point is very well taken, Mr. Chairman. I should think that any governor in council who was thinking of applying this subsection would do so only in fear and trembling. I feel it is important that each province feel free to administer justice in its own way. I can only suggest, in the same sense as I did to the hon. member for Greenwood, that it is good, especially at the outset, that the government which makes this law should also have the power to make sure that there are not too many discrepancies in the application of it, at least in the early stages.

By way of reassurance, I would remind the hon. member for Peace River that the Criminal Code has the same type of provision under which the governor in council can make uniform procedural laws across the country. To my knowledge, this power has never been used. I hope that this present clause would not be used to any great extent either. I think it is safe to have here for the same reasons that it exists in the Criminal Code.

Mr. Fairweather: May I ask the minister once again, Mr. Chairman, for some reassurance. He knows I have some concern about procedures in the province of New Brunswick. I have had an assurance, but at this stage could I have an underlining of that assurance? I really believe this is serious. I put it forward in no partisan way. I think it is within the spirit of subclause (2) of clause 19. I know a great many members of the profession in New Brunswick and even more important than the profession, the people who are affected by this law, are concerned. I hope no provision has been made to continue in New Brunswick a policy which I feel is not right.

Mr. Trudeau: Is the hon. member referring to the matter of the courts of law? The hon. member nods in assent. If that is the case, I think I can reassure him. This bill provides that the court in New Brunswick will be the supreme court of the province. This will be the divorce court. If the province wants to give divorce jurisdiction to the county courts, that can be done under the procedure which was indicated the other day by amending its

own law. The province would have to provide that judges of the county court would become local judges of the supreme court.

In other words, Mr. Chairman, this bill does not permit any province to say that divorce will not be a matter for the supreme court of New Brunswick but shall be a matter for some other matrimonial or divorce court. This the province cannot do. It must make divorce a matter for the supreme court.

Mr. Fairweather: Yes, but some people wish to continue the status quo in New-Brunswick whereby one judge of the present court of appeal of New Brunswic is the judge of divorce and matrimonial causes. All causes are heard in the capital city of Fredericton. This works a great inconvenience and hardship on the members of the profession, the petitioners and witnesses.

Mr. Trudeau: I know this point well because the member has gone to some pains to explain it to me on other occasions. I did look into it, and I can assure him that the province would have no choice but to agree that the court for divorce is the supreme court of the province, and no other.

Mr. Lambert: I do not rise to criticize this clause but to express the hope that the various courts that may be making rules with regard to procedures and so forth, particularly with regard to subclause (1) (d) dealing with maintenance orders, will make it possible to enforce maintenance orders in other jurisdictions with a minimum of difficulty. In the past it has always been one of the most difficult and painful operations a lawyer acting on behalf of a client who is aggrieved can undertake. There may be an order for maintenance in one jurisdiction and the husband may have moved away from the original jurisdiction into another. There have been so many safeguards and formalities hedged around the enforcement of an alimony or a maintenance order that I hope the minister will use his moral suasion upon the courts and various jurisdictions to streamline the rules with regard to the enforcement of these orders in order to facilitate the enforcement of them.

Mr. Trudeau: This is a fair request, Mr. Chairman. I will use whatever moral suasion I can muster. It was for this purpose that we provided for the three months interval before the law can be put into application. We intend to have discussions between federal and provincial authorities on such matters as this, not only between governments but also between the chief justices and the federal officials.

Clause agreed to.

Clause 20 agreed to.

On clause 21—*Admissions and communications made in course of reconciliation proceedings.*

Mr. Enns: I should like to commend the minister for having included in this bill the protection of the principle of confidentiality which is guaranteed by clause 21. One word however bothers me in this clause which reads:

• (9:10 p.m.)

A person nominated by a court under this act to endeavour to assist the parties to a marriage with a view to their possible reconciliation is not competent or compellable in any legal proceedings to disclose any admission . . . made to him—

The wording "not competent" bothers me. I wonder if as a social worker I am too defensive, but perhaps this casts an undue reflection on other professions, and here I am thinking of doctors and priests who could be involved in this counselling procedure. I suggest that these two words "not competent" be deleted. The clause would still retain its sense and protect the very important principle of confidentiality.

Mr. Trudeau: I can understand that if the word "competent" is taken in a defensive sense it would be an offensive word and I would certainly want to withdraw it, but I suggest that the words "not competent" in a statute such as this means that a person not able for legal reasons to do certain things. The first definition of competent in the Oxford dictionary is "legally qualified", I suggest that is the meaning which should be given to the word in this clause.

Mr. Smith: How is the social worker or family counsellor going to communicate with the judge? Is there any provision for him to file a report with the judge on the success or failure of his work? In Ontario we have the official guardian reports. There is a system whereby they go into the record. What happens under this legislation?

Mr. Trudeau: This is a dilemma, Mr. Chairman. For the reason which was just given by the hon. member for Portage-Neepawa we had to make sure that any person assisting the parties with a view to

reconciliation would have at his or her disposal all the information needed to make reconciliation possible. For the reason given by the hon. member we had to ensure that there would be absolute discretion. How do we reconcile this with the problem raised by the hon. member for Simcoe East?

I suggest that clause 8 applies here, that the reconciliation would be attempted after the judge has adjourned for that purpose. The test will be 14 days later if the parties apply to the court to have the pleadings resumed. The court will then presume that the reconciliation effort has not been successful.

Mr. Smith: I can understand that the social worker's evidence, or admissions made to him, cannot be used in determining whether there shall be a divorce, but surely his report upon what he found out would be absolutely vital to the judge in later determining the custody and maintenance of children? It seems to me that at some point there ought to be a provision whereby his report would go into the evidence, or at least be placed before the judge and become part of the court records.

Clause agreed to.

Clause 22 agreed to.

On clause 23—*Consequential amendments.*

Mr. Baldwin: Mr. Chairman, as a poor, deluded member of parliament who for four and a half years has been trying without success to follow the confused wriggling of the government in many things, would the minister explain why under clause 23 there is a right given under certain circumstances to provide that a county court judge may sit and hear divorces in the provinces of Newfoundland and Quebec, while he has refused the legitimate and logical request made from this side that such action be permitted in other cases?

Mr. Trudeau: I explained during debate on some other clause that the provinces could, as indeed British Columbia does, declare that their county court judges can operate as local judges of the supreme court if they are so designated in their instruments of nomination by the federal government. In other words, the province is the power which can validly make a distinction between superior courts and county courts.

Mr. Baldwin: This is at the request of the president.

Mr. Trudeau: I was indicating this was the case for all other provinces. Now, in the case of Quebec and Newfoundland, where we have made provision that a judge of the exchequer court would be the competent judge until such proclamation as is mentioned in clause 22 is made, the exchequer court will be the court which will judge the cases from those provinces. This provision, being an amendment to the Exchequer Court Act, is made in order that the Exchequer Court can add additional judges to its ranks to meet any congestion of cases in that court. I think it is done in a way which is an improvement on the present Exchequer Court Act. Under section 8 of the Exchequer Court Act, the president is permitted to appoint deputy judges, and these deputy judges are appointed at the pleasure of the governor in council. In this proposed new section 8 of the Exchequer Court Act, we are saying that there shall be a procedure to appoint special judges. They can be retired judges of the exchequer court, or of a superior court or county court. They can also be sitting judges. The amendment provides that they can sit and act as judges of the exchequer court.

It is reasonable to expect that if this can be done by the provinces it can also be done by the federal government. Now the federal government can designate one judge or another to act in this capacity, but in passing may I say that the Exchequer Court Act, I think, has been improved because such a nomination will no longer be at the pleasure of the governor in council which, to me, smacks a little of impingement on the independence of the judiciary. An appointment at the pleasure of the governor in council could result in a government some time saying, "We don't like some of these judges and therefore they will no longer be judges." Under the proposed modification, the appointment of such judges can only be for particular periods or purposes and their appointments are no longer at the pleasure of the governor in council.

Clause agreed to.

Clauses 24 and 25 agreed to.

• (9:20 p.m.)

On clause 26—*Repeal.*

Mr. McCleave: May I ask the minister whether, in subclause 2, he would consider substituting the words "no longer have effect" for the words "are repealed". I suggest that, because I talked to a deputy attorney general of a province and he thought it

rather strange that this parliament should repeal the laws which have been passed by other legislative bodies. The amendment would bring no change in substance. It would be a diplomatic step. Perhaps the minister might accept it.

Mr. Trudeau: I shall use this opportunity to say to the provinces that I do not wish to be rude to them. If we appear to be rude in the wording of this legislation, then I apologize in advance. Our intention must be quite clear. All other laws having to do with divorce that were in force in Canada are repealed. Why we are doing this is quite obvious. In this country we have a system of divorce laws that antedate the present constitution of the country. It must be made quite clear that those laws no longer have effect. This is done in legal jargon, which is not meant to be offensive. I should not be surprised if that kind of jargon were used in the Statute of Westminster. I should be surprised if we did not find the word "repealed" there.

Clause agreed to.

Clause 27 agreed to.

On clause 1—*Short title.*

Mr. Herridge: Mr. Chairman, I wish to make a few remarks on the first clause. In doing so I might say that I am not a suppliant for divorce. For over 50 years I have lived a happily married life, but anybody looking, at today's newspapers might think that my wife has grounds for divorce. That is not so.

I rise to make a few brief remarks and to interject some historical notes. I have been in this house for over 23 years and I have seen the ebb and flow of the different moods and spirit of this house. I rise to support the spirit of the bill which has been introduced by the minister, and to commend him on what I consider the flexible way in which he has handled the entire matter.

Some hon. Members: Hear, hear.

Mr. Herridge: Already I have received correspondence from my constituency which indicates that quite a number of people are pleased with the introduction of this bill. I am sure they will be pleased to hear of its passage. One lady informed me that she thought the minister was a very sensitive, humanitarian intellectual. I thought I would pass that on to him.

As other members have mentioned, it has been more than a quarter of a century since

the last attempt was made to reform the divorce laws of this country. According to the record, Senator Aseltine was able to persuade the members of the other place to pass a measure that would have widened the grounds of divorce to include cruelty and desertion. However, this bill was allowed to expire quietly on the order paper of the House of Commons, without any member even asking a question as to when the minister intended to proceed with legislation.

A very different situation exists today. Since then, public opinion has changed to such an extent that the Minister of Justice has created a precedent in Canadian history by introducing this measure. I am sure that members on all sides of the house will give him credit for that. Politicians from all parties throughout the years have avoided this contentious issue, because it was politically dangerous. We all knew it. In my opinion they underestimated the changing circumstances and opinions in our society, particularly in recent years. It was not until the churches and other organizations and groups in Canada recognized the need for a drastic change in our divorce laws that parliament was persuaded to act in response to public opinion.

In this connection I have had a little research done. This is a matter of historical record which has been passed on to me. Apart from the bill that was introduced by Senator Aseltine in March, 1930, the hon. member for Winnipeg North Centre introduced a bill intituled "An Act to provide for the Jurisdiction of the Exchequer Court of Canada in Matters of Divorce". He introduced that bill continuously from 1949 to 1956. The explanatory note says:

> This bill does not change the grounds for divorce. It does not establish divorce courts in Quebec or Newfoundland. It does not make available to persons residing in Quebec or Newfoundland anything not now available to them. It merely transfers the hearing of divorce petitions, in the case of persons residing in these two provinces, from parliament to the Exchequer Court of Canada.

That was a most commendable objective and, in view of the climate of public opinion which then prevailed, that was about as far as anyone would wish to go.

Later the hon. member for Timiskaming introduced a bill a number of times from 1960 to 1966. These provided for changes in the grounds of divorce. The purpose of that bill was to provide a law for the dissolution and annulment of marriage that would be common to all persons domiciled in Canada. That

bill widened the grounds for divorce. I must give my hon. friend for Timiskaming credit for introducing his bill continuously from 1960 to 1966.

In 1962 another major effort was made in this house to transfer divorces from the House of Commons to the Senate. The hon. members for Timiskaming and Skeena conducted a filibuster for some months. I know that was very trying for members of the government and for other members on occasion, especially when they had to listen to long extracts being read from the Senate divorce proceedings in order to indicate the need for the change in procedure. I wish to pay tribute to the courage and persistence of those two hon. members. Finally, the government of the day saw the light, gave in and introduced legislation that provided for divorce to be transferred from the House of Commons to the Senate.

As the years went by the courage of hon. members picked up. The public climate was changing also. On February 18 and April 8, 1965, in the new session, the hon. member for Burnaby-Richmond introduced a bill which would give to the provinces concurrent jurisdiction in Canada and also widen the grounds for divorce. Later, in 1966, the hon. member for Kootenay East introduced his bill. That bill provided for additional grounds for the dissolution of marriage.

As the years went by and as the climate of public opinion changed, as the need for changes in our divorce laws grew, members of parliament responded to that different climate of public opinion by introduction of this legislation.

• (9:30 p.m.)

Later we saw the introduction of a bill by the hon. member for Vancouver-Burrard in 1966-67 to widen the grounds for divorce and make them applicable to all persons domiciled in Canada. Later, the hon. member for York-Scarborough introduced his bill to provide for the dissolution of marriage on a just and common basis throughout Canada. The hon. member told the house in an explanatory note:

> Essentially, the grounds for divorce provided for in this bill are adultery, cruelty and desertion, but include involuntary desertion by reason of incurable insanity and three years separation without reasonable likelihood of reconciliation.

It is interesting to note that the development of public opinion in Canada has been accompanied by an increasing understanding on the part of members of the house. The final act was the introduction of a measure whose committee stage we have now almost concluded.

I wish now to mention one or two other things. On March 15, 1966, the house approved a motion that a special joint committee of the Senate and House of Commons be appointed to inquire into and report upon divorce in Canada, the social and legal problems relating thereto and such other matters as might be referred to it by either house. I was personally very pleased when this committee was appointed, because I have long been of the opinion that committees of the Senate or of the Senate and the House of Commons can undertake investigations into any subject at much less expense than those incurred by some royal commissions. I have read the report of the special joint committee carefully and I must congratulate the joint chairmen, the members of the committee, and the witnesses who appeared before it. I should also pay tribute to the services rendered by the committee's special assistant, Dr. Peter J. King, associate professor of history at Carleton University, and by Mr. Patrick J. Savoie of the Senate committees branch. In my opinion the committee has made a splendid contribution to the understanding of problems relating to divorce in present circumstances.

I heard the minister's speech, I have read it a couple of times and I have listened carefully during the greater part of this debate to what he has had to say by way of explanation of the clauses and in his comments on the various amendments offered. Whether we agree with every detail of what has been done or not, I believe, in all fairness, that we must admire the hon. gentleman for the attitude he has taken toward this legislation and for the spirit in which he has pursued his purpose.

The minister has indicated his willingness to learn from experience in the administration of this legislation and to make improvements or amendments if necessary. In adopting this measure the house will have remedied a quarter of a century of indifference compounded by political apprehension —and we all know what that is in certain circumstances. In conclusion, I say the house has acted with wisdom and prescience to meet a specific human problem which affects a large number of Canadians.

Mr. Otto: In case some hon. members may get the impression from the speech of the hon. gentleman who has just spoken that this

bill is the result of the efforts of everyone except the Minister of Justice, let me set the record straight by saying it is the Minister of Justice who had the courage and the tenacity to introduce the bill before us and get it through.

Some hon. Members: Hear, hear.

Mr. Otto: This is something I did not expect, to be frank; I did not think my hon. friend would move so quickly. It is to his credit that he has done so. My hon. friend did say earlier in the debate that he had no vested interest in the subject of this bill. But of course he has, as a member of the Canadian community. And his children, if and when they form families—I am assuming, of course, that he does get married and have children—will be affected by this far reaching measure.

The hon. member for Kootenay West told us he had read the report of the committee. I was a member of that committee and I heard all these briefs presented. We heard presentations from deserted mothers, mothers alone, men, women and judges. But at no time did we hear any evidence as to the effect of divorce on children.

At no time did anyone say a study had been made as a result of which we knew that the effect of divorce on children was so and so. Consequently I rise to say that this bill is not a panacea. It will not result in a greater number of divorces. It will certainly not be a sovereign remedy for marriage or family problems. Indeed, it is but the beginning of new work which we must undertake. We must put our house in order with respect to all matters affecting family units and the rights of children. At the present time the children at least know to what establishment they belong. But we, as a society, having adopted a very liberal view of divorce, have failed to provide a suitable climate for the children of divorced parents; they are still looked upon as being somewhat apart from the rest of the community. They are not yet accorded the same treatment as is accorded to the children of married parents. We have to deal with this situation because these are the children affected by the legislation we are passing.

I hope the minister's next endeavour will be to continue research into the problems of divorce as they affect the children, and into the whole field of the laws relating to divorce proceedings.

[Mr. Otto.]

Mr. Cameron (High Park): If it is appropriate and in order may I say a few words on this bill? As the hon. member for Kootenay West has indicated, this amounts to a demonstration of the worth and merit of joint committees of this house and of the Senate.

There were 24 members from the house and 12 from the Senate represented on the special committee. Many of the representatives from the house were members of the justice committee and they included some of the brightest legal minds among us. I have no doubt at all as to the efficiency of the committee. Added to that, we had the experience of the senators from the other place, and I refer in particular to my co-chairman, Senator Roebuck.

Senator Roebuck has been chairman of the divorce committee for many years and has heard some 15,000 cases. He is a master of the law on divorce. As co-chairman it was easy for me to assist in the organization and in the work of the committee and to preside at some of the meetings. The real work was done by him. I think we should all congratulate him and pay tribute to him for what he has done—a 90-year-old Senator who is 90 years young.

• (9:40 p.m.)

The report which the minister has been kind enough to indicate has been the basis for the bill emanated largely from the work of Senator Roebuck of the other place. Some members of the committee made contributions in the nature of suggestions, and other members of the committee took an active part in the discussion when the report was finally considered and settled. I do not wish to praise the members of the committee unduly, but may I refer to a comment which appeared in the *Globe and Mail* and ask hon. members to take their praise, in place of what I might say:

> In many respects, the bill is as broad and liberal a piece of divorce legislation as any western nation has written. Yet it will still maintain some unjustified matrimonial prisons and it will still contribute to perjury in the courts.

I should like to congratulate the minister for the very able way in which he has presented the bill to the house.

Some hon. Members: Hear, hear.

Mr. Cameron (High Park): I take it as a tribute to the committee that the bill as drafted was largely founded on the report of the joint committee. I hope that the prison

doors that will be opened as a result of this bill will be sufficient reward to the members of the committee for the many long hours and very determined concentrated studies they put into this subject.

Mr. Chairman, I think when this bill becomes law the parliament of Canada will have a bill to be proud of.

Mr. Aiken: Mr. Chairman, we seem to be passing around laudatory remarks, and therefore, before the bill passes I should like to give credit to the senior member for Halifax (Mr. McCleave) who has carried through our work on this bill. The hon. member was one of the few people jointly from the house and the Senate who did the real groundwork for the Dissolution and Annulment of Marriages Act which was the first real step to a more rational divorce law in Canada. This particular law to be passed today completes the process to this point. For this reason I believe we should acknowledge the part the hon. member has taken in this matter. More than that, I believe that today is his birthday.

Mr. Chairman, I must take issue with just one remark made by the hon. member for Kootenay West when he commended the minister for his flexible attitude. I am afraid we on this side of the house did not find that he had such a flexible attitude. In spite of the number of amendments which were proposed very few were accepted. However, this bill does represent some real progress. For this reason I am authorized to say we would be happy to consider, if it is the wish of the house to do so, proceeding to third reading tonight. The bill has been changed so very little in committee that it really does not amount to any change at all.

Clause 1 agreed to.

Title agreed to.

Bill reported and read the third time and passed.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, in the mood of good will which prevails in the house I should like to move the following motion:

That pursuant to section (6) of standing order 6 this sitting be extended until eleven o'clock this day or until consideration of Bill No. C-163 in committee of the whole be completed, whichever shall be the earlier of these two eventualities.

Mr. Cowan: I object.

Mr. Speaker: Order, please. There is an objection. Are there any members rising in support of the objection?

Pursuant to section (6) of standing order 6, the order is deemed to have been adopted by the house.

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house in committee on Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Batten in the chair.

On clause 2—*Broadcasting policy for Canada.*

Mr. Nesbitt: Mr. Chairman, there are a number of us who did not have the opportunity to speak on second reading. There are some of us, I believe on both sides of the house, who have some ideas we would like to put forward. We understand, because of the resignation of the former president of the Canadian Broadcasting Corporation, that a new president is to be appointed very shortly. Numerous rumours have been circulated to the effect that a very highly respected and very senior civil servant will be appointed to this position.

All members of the house are cognizant of the fact that the new president of the C.B.C. may be faced with problems which he or she has never experienced previously. I think it is only proper that the person who takes on this very important job should have the opportunity of receiving suggestions from members of this house. I know, Mr. Chairman, that suggestions from members of this house are not welcomed by the senior officials of the C.B.C. and that when one does offer suggestions which are not welcome they are not taken very kindly.

• (9:50 p.m.)

We hope when this broadcasting act passes many of the complaints about the C.B.C. will disappear. Let that not be a fond hope. Perhaps the new president will be able to spruce up his policies. I am sure this will be acceptable to the Secretary of State and, indeed, to many members of this house, and the country. Perhaps many of the faults which have caused the complaints over the years can be rectified.

There has been created an impression in the public mind, through the press, periodicals and the like, that a number of members of this house are opposed to the C.B.C. as such. There may be some who are, but I for one have been accused repeatedly of this and I am not opposed. I think the corporation performs an excellent and valuable service to the country and can continue to do so. What I object to are some of the policies that have been carried out in some branches of the C.B.C. It is those policies which over the years have caused the vast majority of complaints. I am sure it is the hope of many members of this house, as it is mine, that these complaints which I intend to deal with specifically, can be rectified in future so that the C.B.C. can continue to serve Canada.

There have been many complaints raised about the intellectual entertainment programs. I do not suppose it is easy to please completely any two people in the country, because one is pleased by something while another is pleased by something else. This is because people have different tastes and like different things. I do not intend to make any comment about the general level of the quasi-intellectual entertainment programs of the C.B.C. Some people like them and some do not. Personally I like the majority of them but I may be unique in this respect. The only suggestion I would make is that it is obvious some of the producers of the entertainment programs for the C.B.C. lack the same standard of taste which is generally acceptable in Canada. I hope the new president puts his foot down and will insist that some of these producers will accept these general standards. Perhaps they feel these programs are acceptable because of a new spirit of permissiveness in Canada, but since it is the public which must pay for them, they should have some regard to general standards of behaviour. I hope this will be borne in mind by the new president, and some of these producers who I think produce these programs for no other purpose than to show off and to shock the public.

Another complaint on the part of many members of this house, including myself and many members of the general public who have brought this to my attention, concerns the public affairs programming of the C.B.C. It is in this regard I have serious complaints which fall generally under three headings. The first relates to political interference on the part of the C.B.C., and a heavy political bias in respect of many public affairs programs.

[Mr. Nesbitt.]

The second group of complaints relate to matters of public controversy such as the Viet Nam question, race riots and apartheid, to mention a few. Unfortunately the C.B.C. seems inevitably to present only one side of a question. Any opposing point of view is presented in such a biased manner it cannot be considered a fair presentation.

The third group of complaints relate to the deliberate and fraudulent misrepresentation of the credentials of speakers. This can also be said of photographs and other things. I hope all these complaints can be avoided. If the causes can be corrected I am sure the complaints will disappear. It goes without saying that any member of this house would strenuously object to any outside political interference in the C.B.C. At the same time I think it is proper to object to political interference, or that which appears certainly to be political interference, from within the C.B.C. itself.

I have no hesitation in saying that on rare occasions it may seem that a point of view of the Liberal party or the Conservative party is presented by the C.B.C., but most people to whom I have talked regard the C.B.C. as a propaganda machine for the N.D.P. All one has to think of is the interviews by Mr. Laurier LaPierre and Mr. Pierre Berton. I have several examples of this.

During the 14 or 15 years I have been a member here I have driven back and forth between my constituency and Ottawa on innumerable occasions. During those trips I have listened to the C.B.C. constantly and made notes on every occasion. I have a file containing hundreds of examples. If any member of the C.B.C. would like to discuss these with me privately on some occasion I would be only too happy to accommodate him.

The general impression created is that the point of view of the N.D.P. is greatly overemphasized out of all proportion to the number of its members in this house and its percentage vote in the country. That party is promoted steadily in every conceivable field of public affairs. Let me make it quite clear that I have no objection to N.D.P. propaganda on C.B.C. My objection is that the two major political parties receive almost no time in this regard. After all, the supporters of the Liberal and Conservative parties pay the taxes that keep the C.B.C. going, and this situation does not seem fair.

My next point relates to this same matter. I refer to the one-sided point of view on

matters of public controversy. The parliamentary secretary to the present Prime Minister in a speech in Winnipeg pointed this fact out very well. That speech has been quoted at length by other members of this house including the hon. member for Athabasca, the hon. member for Leeds and I believe the hon. member for Kenora-Rainy River. I can only say that when you receive one-sided views on race problems in the United States, or the Viet Nam situation, it does not help the public reach a reasonable conclusion.

Most of us in this house have had the opportunity from time to time of talking with fairly senior people in the C.B.C. I have had the viewpoint expressed to me on many occasions that it is not the function of the C.B.C. to present a balanced picture of such controversies, but to lead the people in thinking in the proper way. It would seem to me that on matters of great public interest and controversy such as the Viet Nam situation, a balanced point of view should be presented so the public could draw its own conclusions as to who is right and who is wrong. This is difficult to do at the best of times, but when you get only one side of the picture the brain washing effect is pretty evident.

• (10:00 p.m.)

This leads me to a question in respect to the commentators on C.B.C., and this matter relates also to the previous point. I refer to the falsification of the credentials of those people who speak on C.B.C. I have here a good many examples of this, some of which I have heard and seen myself, and others that have been brought to my attention. I will give just two illustrations which might be of interest to the house. The first is this. A few years ago on the program "Preview Commentary", which I think is described as a free expression of opinion, whatever that means, on a good many occasions we heard one, Professor Michael Oliver, giving a commentary on the news. He was described as a professor of political science at McGill University. Some thought it strange that no professor of political science of any other university was ever called upon to comment.

We later discovered that this gentleman was elected president of the New Democratic party. He continued for some time on the C.B.C. to give commentaries on the news, as Professor Michael Oliver. As a matter of fact these commentaries were very interesting, but I just wonder what would have been said from some quarters of this house if the president of the Liberal association or the president of the Progressive Conservative association had been brought on to "Preview Commentary" to comment freely on the news every morning. I can imagine the comments that would have come from some of my friends to the left, had this taken place. This is just one illustration.

I will give another example which I think is a really interesting one. This occurred several years ago when I happened to be at the United Nations. It was brought to my attention that a television show which had been produced in Toronto was exceedingly critical of the entire Canadian delegation at the United Nations, its activities and the personnel thereof. At that time the Toronto *Globe and Mail* published an editorial and said that ordinarily, from their information, they would not have thought this to be so, but since the speaker on the television show, Mr. Arnold Beichman, was described on the C.B.C. as the United Nations correspondent of the *Christian Science Monitor,* they must pay attention to it.

I was quite familiar with members of the press gallery of the United Nations and made inquiries about this matter. I asked whether Arnold Beichman, who was described by the C.B.C. as United Nations correspondent for the *Christian Science Monitor,* in fact held that position. I was told he had never worked for the *Christian Science Monitor,* was not a member of the United Nations press gallery, never had been and was not known to the press gallery. The C.B.C. were contacted and said they had made a little mistake and it would not occur again. About three weeks later, on a television program advertised in the *Globe and Mail,* the program being about anti-Americanism in Canada, I noticed that on the panel were Mr. A, Mr. B, Mr. C, and Mr. Arnold Beichman the United Nations correspondent for the *Christian Science Monitor.* So there was no possibility at all of a second mistake having been made by the C.B.C. As it turned out Mr. Beichman was apparently editor of the "AFL-CIO" News Bulletin.

These are just illustrations, Mr. Chairman, and I have many more here, of what can only be described as misrepresentation of the credentials of people who appear on the C.B.C. I have another illustration. Not too long ago there was on the C.B.C. a program about the Viet Nam war. Certainly the suffering of individuals on both sides is a subject

of pity and concern to everybody. There were televised a number of pictures purporting to show atrocities in Viet Nam which undoubtedly resulted from bombing. One picture shown on this program was of a small child covered with black as a result of an explosion, sitting on the steps of a building crying and obviously covered with blood. It was a very moving picture indeed.

There was only one thing wrong. Those of my vintage and others perhaps remember that this was one of the leading propaganda pictures of world war II. It was a picture which appeared on the cover of *Life* magazine at the time of the bombing of Chungking. It may be said that this was just the kind of thing that happened in Viet Nam, but it was represented as having taken place in Hanoi.

This is what we have complained about so often in the house. Attention is never paid to complaints made in the house. Impertinent telegrams are sent by officials of the C.B.C. and summonses are received to appear in their office to discuss the matter with them. There is a gap between members of the house and the C.B.C. It may be that C.B.C. officials feel they are unfairly treated, that there is a lack of dialogue, although I hesitate to use the word, and "conversation" may be a better word in this context. Perhaps officials of the C.B.C. feel there is lack of conversation between members of the house and the C.B.C., but I feel that the public which has to foot the C.B.C. bills to a tune of $140 million or $150 million a year should at least be permitted to express its views through members of parliament to the Secretary of State, who is in charge of the C.B.C. and who can then relay these viewpoints and complaints to the corporation.

Naturally no one expects the management of the C.B.C. to pay attention to every single complaint which comes in. Every one knows that is impossible. But one does expect a slightly more courteous hearing of these complaints. I can only hope that when the new president of the C.B.C. and the new senior officials take over, these serious complaints, whether they are made by members of the house as individuals or on behalf of their constituents, will be given serious consideration. No one wants to hamstring the management of the C.B.C. I imagine it is probably difficult to administer such a large corporation. However, I think the management should pay some attention when complaints are made with regard to the political bias of certain broadcasts of the news and one-sided presentations are made of matters of great public concern. The C.B.C. management should then make some effort to bring some of the producers to heel.

I should like to make one more comment. It has always puzzled many of us why some subjects which have no direct bearing on Canada are dealt with at such length by the C.B.C., a good example being the racial disturbances in the United States. Naturally these matters are of some interest to Canadians, because the United States is our next door neighbour and we have been tied up with them one way or another. It is natural that what goes on there is a matter of great interest in Canada. But when day after day and hour after hour we get nothing but pictures of racial disturbances in Alabama or in Cleveland, it becomes rather much. Someone has suggested to me that perhaps one of the reasons for the emphasis on this subject is that since a great many of C.B.C. radio broadcasts permeate a large section of the United States, and so do some of our television programs, perhaps some of these programs are really being directed at the United States and not at Canada. Be that as it may, and even if the intention is to direct some of these programs at the United States in an effort to reform them or change their attitude, the fact to be remembered is that we are paying for the programs. If anyone is going to reform the United States, they had better do it themselves. I am not suggesting that such programs should not be broadcast. I think that anything that goes on in the United States is of interest here, but it does not warrant so much C.B.C. time. I think this matter should be reviewed.

I know other hon. members will wish to comment on this subject and I intend to bring my remarks to a conclusion. Let me just make it clear that I am very much in favour of the C.B.C. and I like the great majority of its programs. I think they are excellent and the C.B.C. should be commended for them. I refer particularly to some of their artistic and sports programs. However, with regard to public affairs programs I hope the new president and the senior management of the C.B.C. will pay a little attention to some of the complaints that have been made in the house.

Mr. Prittie: Mr. Chairman, I was not going to make a general speech at this stage; I was prepared to speak on particular clauses of the bill. However, having heard the number

of shots fired by the hon. member for Oxford I have come to the conclusion that some of them require a reply.

• (10:10 p.m.)

If the hon. member is a friend of the C.B.C., all I can say is God protect the C.B.C. from its enemies. I got the impression that he would like a broadcasting corporation which did nothing controversial and which had lots of commentators expressing views which he liked. Then there would be no problems. It is some news to us that the C.B.C. is the political arm of the New Democratic party. I have a great deal of evidence to the contrary. I wish I could show the hon. member the thick file of correspondence which has passed between the leader of our party in the province of Saskatchewan and the president of the C.B.C. He would know that gentleman, in any event, does not consider it to be the political arm of the New Democratic party. A number of my colleagues in the House of Commons, when they get fed up, say the C.B.C. is just a bunch of Liberals. Perhaps this is the way it should be: Keep everybody guessing. I can assure you if the C.B.C. is the political arm of the New Democratic party they are not serving us the way we would like them to.

The hon. member for Oxford is also asking for a balanced view on race relations in the United States and conditions in Rhodesia. He will have a hard time finding many public spokesmen in Canada who will express opinions he may like to hear on these subjects. I should like to say a word or two, Mr. Chairman, about the proposed new appointments of president and executive vice president of the C.B.C. I imagine that the announcement of these appointments will be made after the house has recessed. The Prime Minister did say that he would make the announcements after the bill had third reading. There is not very much time and, as I say, I suppose these announcements will not be made until perhaps next week or the week after. We have heard reports concerning the names of two gentlemen who have been suggested for these positions. They are both highly qualified in the field of administration and have proven themselves respectively in the public service and in private business. Without saying anything detrimental about either of the two gentlemen suggested, I should like to say it is a pity neither of them has any experience in broadcasting. I think one of the two should have had broadcasting experience.

Broadcasting is a complex field and the C.B.C. is a complex organization. It would have been better if one person had had experience in broadcasting. Again, these appointments have not been made as yet and we are only going on rumour. I hope that the new heads of the corporation, whoever they may be, do not try to put their feet down too heavily, as the hon. member for Oxford suggested they should. If the C.B.C. ever reaches a stage where they do not do things that annoy members of parliament or annoy the public, where they do not do challenging, controversial things, then I do not know what we will need them for. I hope we will have a public broadcasting corporation that will continue to put on public affairs programs, entertainment programs, that will challenge the people, that will please some people and that will annoy others.

I recall, Mr. Chairman, about 20 years ago when I was living in Ottawa Max Ferguson began broadcasting. At that time he imitated some members of parliament, and I believe they got up in the house and complained about the kind of thing this man was doing on C.B.C. radio. We need people who will poke fun at us, who will challenge us, who will present conflicting points of view. The experience has been that this is much more likely to happen on a public broadcasting system than on private broadcasting. I hope therefore, that the new heads of the corporation will perhaps make organizational changes which may be necessary, effect economies which may be necessary, but leave a free rein to the producers who produce the kind of programs which will interest and arouse the people of this country. Otherwise, it would be a very tame body and would not be serving the purpose at all.

I should like only one other comment on the remarks on the hon. member for Oxford. He based his whole statement upon the fact we are paying for this public broadcasting service and therefore we have a right to speak. This is true. We are paying also for private broadcasting. If the hon. member would look at the information supplied by the Dominion Bureau of Statistics for 1965 he would see that a total of $162 million was spent on radio and television advertising in Canada.

Mr. Nesbitt: We are talking about the C.B.C. at the moment.

Mr. Prittie: We are talking about the Broadcasting Act which deals with all of

broadcasting in Canada, and I would point out to the hon. member that I am just as able to make wide ranging remarks as he is. If the hon. member would look at the D.B.S. statistics for 1965 he would see that $162 million was spent on radio and television advertising in that year. Taking away approximately $30 million which the C.B.C. receives for advertising, this leaves $132 million which went into advertising on private radio and television. As consumers we are paying for that too. There is nothing wrong with it; but people tell us that we do not get anything in this world free. That is true, Mr. Chairman, and in this regard we are paying for both public and private broadcasting.

I could continue at great length and make the kind of speech which hon. members normally make on second reading or on clause 1 of a bill but, Mr. Chairman, in the interest of speeding things up tonight I shall confine my remarks to the few I have already made. We in this party are ready to go ahead with discussion on the clauses of this bill.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Laprise: Mr. Chairman, I wish to make a few remarks about this broadcasting bill which is now before us again after having been referred to a committee and reprinted following several essential amendments. At first sight, some of those amendments seem rather minor ones, even though a few are somewhat interesting.

I should like to refer particularly this evening to clause 2. My remarks may seem of a general character, but they will deal mainly with that clause of the bill.

For many years, Canadians have been asking for radio and television services everywhere and in all areas. That is to say that this medium of information, of culture and of recreation is quite highly esteemed by the public. For those reasons, then, I feel this bill must be studied and passed as soon as possible, because it seems to make the necessary changes.

Once this new act is passed, the committee entrusted with managing the broadcasting system, private as well as public, can then satisfy the request of Canadians who have been clamouring for radio and television services. In this connection, I should like to point out that too many fairly important centres are still deprived of the services of this system or this means of information.

I recall that, in 1962, when I was elected for the first time, I noticed that certain areas in my riding had made application and had brought pressure to bear, to get the services of the C.B.C. Not long after the 1962 selection, we were faced with a severe austerity program and, at that time, the millions of dollars granted the C.B.C. for its expansion were withdrawn, and the C.B.C. could not provide the additional services it had intended to give. Therefore, as a result of that austerity program, of that financial crisis, areas such as Chibougamau, Chapais, Clova and many others, throughout the country, were refused radio and television coverage because of a lack of money. Therefore, year after year since then, those developments have always been postponed due to a lack of money.

Once again this year, following the announcement made a few days ago by the Minister of National Revenue (Mr. Benson), the same situation prevails and the citizens who live in those regions, which the Secretary of State (Miss LaMarsh) as well as the Minister of Finance (Mr. Sharp) like to call remote regions, isolated regions which cannot be reached or can be reached only with great difficulty, will have to wait again, in short will have to wait again until the government finds the necessary funds to give them that service.

• (10:20 p.m.)

Mr. Chairman, when the ministers or the government tell us that those regions are remote, isolated and, thus, inaccessible, I disagree with such statements because when it comes to collecting taxes there, the Minister of National Revenue does not find them too remote. The miners who live in those regions know that very well, for they have to pay twice over for services which they do not get because, as pointed out by the hon. member who spoke before me, television, whether public or private, must be paid for.

Therefore, when the people of those regions buy a bar of soap, a pack of cigarettes or any other product advertised on television, they pay a slightly higher price because the companies which advertise their products on television raise their prices to pay for the publicity. Therefore, these people are paying for television services which they do not get. This is an injustice which I hope will be corrected by the new broadcasting council. I think that the hon. Minister of Finance should be approached as soon as possible by the Secretary of State, so that the

C.B.C. may obtain the appropriations it needs to extend its services in all parts of the country, so that as many Canadians as possible may enjoy them, as well as private stations. We note that private enterprise can hardly serve those places, and it is up to the C.B.C., which is a crown corporation, to give those services.

Now, Mr. Chairman, there is another point which I would like to raise this evening. I referred to it a few days ago and I would like to bring it up again this evening. In some areas such as the one in which I live, the northwestern area of the province of Quebec, we have a private radio and television station. However, as that service does not entirely meet the requirements of the public and broadcasts programs which sometimes people can hardly understand, because they are unsuitable, I ask the C.B.C. to extend the services of FM radio, in order that we may obtain some truly cultural programs which could be heard by everyone, by those who prefer good music, first-rate music rathern than music which I would compare to abstract art music which means just about nothing and only produces headaches and some rhythm.

So, I think that the C.B.C. should provide the northwestern region of Quebec, the region of Abitibi, with FM radio service so as to serve the public as well as possible.

Before closing, Mr. Chairman, on clause 2 of the bill, I am wondering about subclause (i) stating that:

—service should be provided within the Canadian broadcasting system for educational broadcasting;

I should like to ask the Secretary of State if there is an agreement with the province of Quebec, because I believe that, in matters of education, the government of the province of Quebec is rather touchy, and rightly so. I think that agreements should be reached by the two governments so as to avoid any encroachment.

Mr. Chairman, in closing my remarks, I hope that the minister will pay them particular attention and that the C.B.C. particularly will have available the necessary money to extend broadcasting services everywhere in Canada.

[*English*]

Mr. Johnston: I should like to discuss the undiscussable this evening at some length. When I say "undiscussable" I refer to a subject which might be stated in one word —taste. Or if you want to use two words, good taste. I realise that this is an area which is difficult to define and therefore one from which a modern individual tends to withdraw in helplessness or confusion rather than attempt to make a case for standards in an area in which it can be difficult to set standards.

I would say, further, that this is particularly undiscussable at 10.30 in the evening of a long day, and I regret that this important piece of legislation should be brought down at this hour for hon. members to begin a clause by clause study in committee. I regret also that this legislation should be brought before the house on the eve of a Christmas recess, especially on a Tuesday evening when we know that Wednesday is a short day and that Thursday is to be taken up by a debate on housing which was supposed to have taken place on Friday. So the time available for this clause by clause study will be of the very briefest.

Mr. Barnett: Might I suggest that the hon. member is not altogether correct. As I understand it, the regular hours of sitting on Thursday are to be extended, and the morning sitting will be additional to the normal proceedings of the house. I think the hon. member's reference to the debate on housing is incorrect.

Mr. Johnston: I appreciate the illuminating point of order raised by the hon. member. I do not mind what excuse he puts forward for the suggestion that doing double duty on Thursday will add to the lustre of this chamber and do justice either to housing or the Broadcasting Act. I submit it will do justice to neither.

To return to my point, I am much concerned about this undiscussable area in the C.B.C. It was not discussed in the committee to any extent. At the beginning of the sittings, every time we came to one of these difficult, dangerous or possibly embarrassing aspects, the clause was allowed to stand. We were told this had been done so that the committee could get on with the housekeeping part of the subject and that at the end there would be time for a complete discussion of these problem areas. Of course when we did eventually reach that point, passage of the bill through committee was drastically accelerated as a result of the resignation of the president of the C.B.C. and the urgency of rushing ahead with the legislation so that the nation could cease holding its breath and learn who the new president was to be.

All the clauses which had been allowed to stand were rushed through in a single afternoon, with the bare minimum of discussion. I felt this was a regrettable and reprehensible use of the committee. We hear a lot about what the committee system can do for parliament generally, but if we continue doing to the committee system what we are doing to it now there is not much hope in that direction.

• (10:30 p.m.)

I should like to talk about what I would call the sweet smell of decay which has surrounded a good part of the supposedly entertainment programming of the C.B.C., particularly in some of its most prestigious spots on the prime time. I know the minister has received letters about some of these programs and I know other members as well as myself have received such letters also. Previously I was one of those people who defended the program "Festival" particularly. I took the position that the good things it did were quite capable of balancing out the odd utter failure that would happen every so often. But I do not think that ever before in the history of our Canadian broadcasting have we seen such a lengthy process of assault on the sensibilities of the Canadian public as we have through this fall and early winter season of the C.B.C.

In spite of the remarks of the hon. member for Burnaby-Richmond I do not quite see why the public should have to sit back and in a sense allow itself to be hammered over the head by material that is pointless, tasteless, provocative and expensive or have to turn it off after they become sick of writhing as they watch it, knowing that they are paying for it through taxation. Although the hon. member for Burnaby-Richmond may equate the sums which go through by the means of advertising into program production to those which come through the public purse, I do know that although you can stop buying the product—you do not have to buy the soap or detergent or whatever it may be—you cannot stop paying taxes. At least I have not found a method of doing so yet and I doubt whether the minister has either.

Miss LaMarsh: Have a low income.

Mr. Johnston: I would entirely agree with the minister in that regard.

I should like to quote from an article written by Mr. John Sparrow which appeared in the *Sunday Times* of London, England. In a sense speaking to today's public and using examples drawn from samples of Swift and Burke he says:

> "You have subtilized yourselves," he might tell with Burke, "into savages," pointing to two revolutions that are taking place within our gates: the Abdication of the Artist and the Abdication of the Adult.
>
> The abdication of the artist means the triumph of Anti-Art; the domination, in literature and in music, in painting and in sculpture, of a random element. The chance object usurps the place of the artefact; finding is making; the spectator takes over from the artist, the audience from the composer and the executant. If the artist asserts himself at all, it is not to carry out a conscious purpose, but to fulfil an inner impulse which he does not seek to control.
>
> In all this Swift might see a revolt against the rule of order of design, of restraint; a deliberate appeal to chaos and an invitation to violence; a challenge to the very idea of art as a special kind of conscious activity.

He then went on to say that through this abdication by the artist we have a policy of simply presenting life as it is without expurgation and with a minimum of editing. The article then continues in this regard:

> —an aim which, if its validity is admitted, justifies not only the presentation of the random "happening" as a work of art, but the description in print, and the representation, (even, perhaps, the actual exhibition) on the stage, of copulation, excretion, sadistic practices, anything, in short, that people do.

Later the article states:

> All this Swift might well observe and record with an amused and perverted relish. His scorn he would reserve for the abdicators—

Mr. Sparrow lists them as critics, instructors, parents and legislators. He then says:

> —who might well appear to him to have lost, in a paralysis of confidence, the will and the power to criticize, to control, to condemn; and that, at the very juncture when civilization and enlightenment are under the heaviest attack.

I am afraid that through the rising processes and through the timing the government has used in presenting this bill for study this chamber will find its members among the legislators who are abdicators. This area will not receive the consideration and the discussion it should, and because of a paralysis of hesitation we will withdraw from the attempt to regulate and to call, through the legislation itself, for a little more order out of the chaos.

You might feel that these words are a little harsh. Let me quote from the *C.B.C. Times* itself, which is not usually regarded as the most severe critic of the C.B.C. Let me quote from the previews they gave of three of the programs which followed in a series and had

a rather cumulative effect on the public. I begin with a review of something called "The Ernie Game". It states:

"The Ernie Game is very modern, very contemporary—the things that it deals with are things that are the preoccupation of the psychedelic generation ... sanity, insanity, consciousness."

These are quotations from what was said by Mr. Owen, the producer. It continues as follows:

I'm presently very much interested in surfaces. I think that's where the profundity is—in the surface, that there is only a surface, that the other thing is an invention ... In The Ernie Game, which is all surface, nobody ever tells you anything about the characters, no information is provided, the reason for doing anything is completely unclear, because I think it never is clear.

I have no objection at all to the artist having a private insight or playing a private joke on the public, but I do question the advisability, the desirability and the propriety of asking the taxpayer to foot the bill constantly and regularly without being able to obtain anything from it.

Let us look at the description of "Waiting for Caroline" from the *C.B.C. Times* a week or two later. It states in part:

It's not, however, just a simple love story. That's something Kelly says he's not interested in filming. "The last thing I want to do is entertainment," he says. "Unless one stimulates an audience to be aroused rather than to be more soporific, it's a waste of time.

I think people should come away with their complacencies somewhat jarred."

• (10:40 p.m.)

I must admit that it stimulated the audience. It stimulated people to write letters to me and, I am sure, to a great many other members of parliament. These people are aroused because they are being asked to pay for this form of stimulation.

I should now like to refer to the final effort of this series, called "The Paper People". One director described it in the *C.B.C. Times* in these words:

—light, gay, frivolous, but underneath is an edge of despair and terror. I have been told it has the baroqueness of a Fellini production, and the mysticism of some of Antonioni's work. It's not an historical piece. It's very contemporary and avant garde, about the "now" generation.

The description continues in this way:

It's a slice through the artsy crowd. To some people it may seem sick, a little camp, a bit decadent. But it's really a rather strange love story, and a search by the artist for many things.

I submit that when the C.B.C. in the *C.B.C. Times* calls its own programming decadent and suggests that it may seem sick and a little camp, it really is, and that we have it on the best authority. We have noticed this fall something that has been missing from the Canadian television scene, that is, a revolt amongst the critics themselves who have grown weary of calling this sort of programming harmless, artistic, very fine. They have grown weary of seeing the same bedroom scene over and over again, week after week, regardless of what is the title of the production. The undressing of the characters in the bedroom scene has not been sufficient to add that much interest to the program, and it has reached the stage where the critics now describe this scene as the "obligatory" scene; it has to be in or it will not be a C.B.C. production.

I should like to quote one critic who reviewed "The Paper People", the last of this series of programs, and described it as "pretentious, sickeningly arty, and boring." Sheila H. Kieran says:

I've always considered myself one of that band ... who have thought of the C.B.C. as a noble experiment and who have looked down on its detractors as philistines ... but, boy, is the C.B.C. making it hard.

This was because she had seen the screening of "The Paper People". She went on to say:

Yesterday I saw a screening of "The Paper People", next Wednesday's Festival production. Even for the precious types who inhabit the C.B.C. this play is a bit much: it is pretentious, arty—in the worst sense—and downright boring.

Most of all it is insufferably arrogant—it seems to have been made by the few for the few. I don't subscribe to the idea that everything the C.B.C. does has to have the widest mass audience but, with this production, the C.B.C. becomes the world's only national network serving 50 people.

I think that is a rather good line, because I understand this final production of the series cost $150,000. This figure has been mentioned in various reviews on the program. At a time when we have heard an appeal for austerity, which has great merit, and the government has seen fit to take the subsidy off quality farm products, I wonder whether it might not consider that it is too highly subsidizing in the C.B.C. a product singularly lacking in quality. Sheila Kieran talks about "the characters standing around and talking significantly." Then she says:

—frankly, I still don't know what they were talking about. (I have a sneaking suspicion they don't know either.)

I might tell the minister that I was invited out for dinner the evening this production

was to appear, and so I hesitantly asked my host and hostess if we could not watch "The Paper People" because I was concerned about it. I knew it was the third part of a trilogy and I thought I should at least see it before I rose to criticize it in the House of Commons. Very graciously they consented to watch it. I am still apologizing in a way for the imposition on those who were entertaining me that evening, because if Sheila Kieran whose business it is to write about it did not know what they were talking about, then certainly the average Canadian or even the considerably intellectual Canadian failed to know what they were talking about.

I know the minister has received strongly worded letters about the program. I will quote from one, a copy of which I have received. The program commenced with a warning that this is adult entertainment, and perhaps one should shut it off. As the writer points out, this was a slightly pompous warning. She went on to say:

> Did anyone think of the myriads of 13-18 years group baby sitting, watching their own T.V.'s or otherwise out from under adult supervision? What are you trying to do to them? They are struggling into a strange complex adult world and these are the guide lines they are offered.

Here the author was referring to the program "Waiting for Caroline" but I am sure the confusion was compounded a week or two later by "The Paper People". She went on to say:

> In our youth certain people undoubtedly behaved like this but their example wasn't thrown at us and depicted as the adult, glamorous, "in" way to conduct our lives, by a communications medium that subtly affects us all. All youth is not yet decadent and corrupt. Their decency amazes one. But what chance are we giving them, depicting licentiousness as freedom, self discipline as a quality completely unknown and truth in personal relationships not even to be considered.
>
> I repeat, where is the C.B.C. leading these people who will take Canada into the second century? Don't underestimate your influence.

I would suggest that in the final stage of considering the legislation we should give serious thought to amendments which will set down a little more firmly guide lines for the Canadian radio television council not only for C.B.C. broadcasting but also in the private area, because I think it is important for us not to abdicate this great responsibility. I feel the council is far too small in number to adequately take care of all the housekeeping duties which the bill assigns to it. The members of the council will scarcely be sufficiently representative to include representation of the areas most concerned about the moral and religious well-being in the country, and I suspect they will spend their time setting down regulations about how many minutes of advertising should be allowed per hour, about which station should be licensed where, and about how much colour we should have in television programs,—in other words about housekeeping and not about programming.

Unless we provide in the bill more guide lines than are contained in it at present, I am afraid the council will have few occasions to consider seriously the impact and the purpose of the productions that are, after all, what broadcasting is all about.

• (10:50 p.m.)

It bothers me when I receive a letter such as the one from which I have quoted, and I am sure my experience is repeated throughout the house. I experience a tremendous sense of helplessness in the face of such a letter. It is not a letter from a crank. It is a letter from an intelligent, articulate, reasoning and concerned person who wants to know what can be done. I have received many letters like it in the last two years.

I think there is something that can be done without in any way impinging on the artistic freedom of the producers and artists. If they are truly artistic they will learn to select and they will discipline themselves. They will find that, by selection, the meaning is increased and not decreased. Without impinging upon their artistic prerogatives at all, we can set down guide lines that will express the wishes of the voiceless mass of Canadians who sense something is wrong and who have felt up until now they just could not get at that something which is wrong. We can express concern for the sensitivities of religious groups, of parents and of those who are concerned with the moral development of the young. We can do this as legislators in this parliament.

Mr. Cantelon: Mr. Chairman, I hesitate to rise at this point since there are only a few minutes left. However, perhaps I can complete what I have to say in those few minutes. There are only two things I want to bring to the attention of the minister. The hon. member for Chapleau has dealt with one as it applied to his area, and the hon. member for Okanagan-Revelstoke has certainly dealt with the other in a very capable manner. However, I would feel remiss in my duty as the member of parliament for Kindersley if I did not say a few words about the

T.V. situation in Saskatoon and in northern Saskatchewan in particular.

As has been pointed out on numerous occasions, there is no T.V. station owned by the C.B.C. in that area. The result has been that we find it difficult to receive adequate C.B.C. coverage in many areas of the province. The intention was to put a station in Saskatoon but because of the freeze on certain areas of the dominion, including Saskatoon, nothing was done for about two years. Finally the matter was brought before the Board of Broadcast Governors back in March and approval was given in April for the construction of the station in Saskatoon.

This matter then went to the cabinet. I am astonished that it has taken the cabinet some months to make a final decision upon whether or not they would proceed with the building of this station, since it had been obvious for at least four years a station was needed in that area. Yet in spite of that, nothing was done. Now we are caught in the so-called economy squeeze, and nothing is going to be done in the immediate future. The people in this portion of the west to which I refer might accept this decision more readily if they did not feel there had been a great deal of money wasted by the C.B.C. in launching coloured television. I will not say that money is actually wasted, but when some $30 million odd goes into colour television and we do not have adequate black and white television it can be understood that we in that area are a little bit incensed. Furthermore, when we realize that the C.B.C. spent some millions of dollars giving television coverage to Expo we are somewhat disturbed that our area of the country is being forgotten.

Mr. Knowles: Did they miss the Tory convention out there too?

Mr. Cantelon: Yes. Now the station has been deferred once more as an economy measure on the part of the cabinet, and more than ever we feel we are the forgotten area of the country. We have heard this government say it intended to go where the votes are. Apparently the votes in western Canada cannot be of much value to it or it would have concentrated a little more on building this station.

We have done everything we could to get proper coverage. In fact we investigated cable television, but the company responsible discovered the distances were so great that it could not get enough stations on its line to make it a profitable venture.

We are further disturbed when we are given to understand that a new French language radio station, which is supposed to be built in the Windsor area, will cost something like half a million dollars. I must say I am not opposed to French language stations; please do not misunderstand me; but if money is to be spent in that way, then we feel money could be spent to put the television facilities into our area that we feel ought to be there.

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member, but it being eleven o'clock shall I rise and report progress?

Some hon. Members: Agreed.

Progress reported.

HOUSE OF COMMONS

Wednesday, December 20, 1967

The house met at 2.30 p.m.

RURAL DEVELOPMENT

TABLING OF STUDY PREPARED FOR ECONOMIC COUNCIL OF CANADA

Mr. John R. Matheson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I wish to table, on behalf of the Prime Minister, special study No. 7 prepared for the Economic Council of Canada by Helen Buckley and Eva Tihanyi, entitled "Canadian Policies For Rural Adjustment: a Study of the Economic Impact of ARDA, PFRA and MMRA."

Sir, I very deeply regret that French copies are not available at this time, as the study was prepared in English. It is presently being translated, and copies in French are expected early in the new year.

Mr. Speaker: Has the parliamentary secretary leave to table this document?

Some hon. Members: Agreed.

VETERANS AFFAIRS

ANNOUNCEMENT OF INCREASE IN DISABILITY PENSION RATES

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, on a number of occasions both the Minister of Finance and the President of the Treasury Board have indicated to members of this house that an adjustment of veterans disability pensions was being taken into consideration in the preparation of the budgetary calculations recently announced.

I have also indicated from time to time that the government was aware of the need for an adjustment of veterans pensions, and that we would not necessarily wait to do this until the two studies we had initiated were completed, that is the Woods committee report and the study of pension rates. It is proposed, therefore, to increase disability pension rates 15 per cent across the board effective January 1, 1968.

Some hon. Members: Hear, hear.

Mr. Teillet: This means, of course, the inclusion of widows, orphans and dependant parents. This will mean an increased expenditure of $30 million in next year's estimates and $7.5 million in this year's expenditures. We will take advantage of the next supplementary estimates to make this effective. Both these increases were taken into account in the estimates of expenditure presented by the Minister of Finance and the President of the Treasury Board.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, naturally all veterans will welcome this announcement by the minister of an increase in their pensions. I am not quite sure whether the minister said the increase will apply also to dependant children.

Mr. Teillet: Yes.

Mr. Chatterton: At least the grave error that was made in November of last year, when the minister said there was to be a 15 per cent increase but it would apply to the basic pension only, has not been repeated. That was a grievous mistake; as a matter of fact veterans with families received the smallest increase. The veterans of the country will not be satisfied until there is a permanent basis for establishing their pension rates. The national organizations demand that the pension rates be tied to the salaries of certain types of employees in the civil service.

I hope the minister will use his good offices to speed up the report of the special departmental committee on pension rates. I hope, also, that the minister will soon introduce the amendments to the Pension Act which he announced and promised in 1964, so the inequities that now exist in the act and that will no doubt be reported on by the Woods committee can be rectified.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure all veterans who will benefit from this increase will be very pleased that it has arrived almost as a Christmas present. They have waited very patiently throughout the months for the government to make a decision with respect to this very important matter. The 15 per cent increase across the board I am sure will be

welcomed by those who will receive it in the near future.

• (2:40 p.m.)

I hope, as did the previous speaker, that the report of the special committee dealing with the question of rates will soon be forthcoming, because this is a matter of great importance to many veterans; and that an equitable rate will be established in relation to the casual worker and the wages which prevail today. I must say that I can see the response throughout the country to the minister's announcement will be most favourable indeed.

I have one question for the minister. He did not mention in his statement anything about the war veterans allowance. Would he say later whether any consideration is being given to this matter?

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, the members of this group are glad to hear the announcement of the Minister of Veterans Affairs (Mr. Teillet) to the effect that veterans will be granted a general 15 per cent increase, without any discrimination as to groups.

However, Mr. Speaker, I wish to point out that this presents a contrast with the budget brought down a few weeks ago by the Minister of Finance (Mr. Sharp). Just before Christmas especially, I think that veterans will be very happy about the minister's anouncement.

On the other hand, I call the attention of the minister to the fact that even if we were to grant a general increase of 15 per cent, it would still be desirable, until the measures concerning veterans affairs and allowances are amended, to ensure that no niggardliness is practised as to the degree or percentage of incapacity of veterans. There have been complaints not only on the amount of the pension but also on the procedure to determine the degree of incapacity of a veteran. On this point, I can give many instances of which I am personally aware. I should like to ask the minister at this time to make sure that no niggardliness is shown on this score. It is useless to grant 15 per cent if it is to be taken away in another fashion.

I believe that on consideration of the bill to amend the present legislation, we may deal with this problem and until then, once again, in the name of the veterans, our group welcomes this announcement by the Minister of Veterans Affairs.

[Mr. Herridge.]

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am sure, as has been stated, that veterans across Canada will welcome the announcement that has been made this afternoon, as we welcome it here in the House of Commons. I am also certain that one of the happiest individuals in the house today is the Minister of Veterans Affairs himself, because in spite of the long delay I believe he has been seriously concerned about this particular problem. Not only will his wish be fulfilled, but the minister's announcement will save him from having to answer the many embarrassing questions which are put to him from time to time.

We welcome this announcement, and we know the minister will continue to press for the establishment of an adequate formula for determining these rates. He pointed out that the increased expenditure in the next year's estimates of the department will amount to $30 million, but I believe the people of Canada, in spite of the recommendations of the Minister of Finance to curtail expenditures, will be happy to bear the costs necessary to assist those who served the country so well.

HOUSE OF COMMONS

ADJOURNMENT FOR CHRISTMAS RECESS UNTIL JANUARY 22

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved:

That when the house rises this week for the Christmas recess, it shall stand adjourned until January 22, 1968, 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; and

That, 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.

Motion agreed to.

BUSINESS OF THE HOUSE

PROVISION FOR MORNING SITTING ON DECEMBER 21

Hon. Allan J. MacEachen (Minister of National Health and Welfare) moved:

That, in addition to the hours of sitting set down for Thursday, December 21, 1967, the house shall meet at 10:00 a.m. and sit until 1:00 p.m.

That after prayers have been said at 10.00 a.m., a Minister of the Crown shall propose a motion "That the house do now adjourn" for the purpose of debating the subject of "housing", provided that the said debate shall be terminated not later than 1:00 p.m. in the said sitting, when the motion "to adjourn" shall be deemed to have been withdrawn and thereupon the sitting of the house shall be suspended until 2:30 p.m.; and

That when the sitting is resumed at 2:30 p.m. the house shall forthwith proceed with the ordinary daily routine of business and such other business that has been appointed or set down for consideration in that sitting.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we are all in favour of this motion but there is one suggestion I should like to make. Perhaps I might put it to the Minister of National Health and Welfare in the form of a question. In view of the fact that this is special time we are providing, and in order that a reasonable number of members might be able to participate in the debate, I wonder if the minister would ascertain, either now or during the day, whether a house order could be passed limiting the length of time each member might speak. If we make the limit 20 minutes, then more members could take part in the debate tomorrow morning.

Hon. Gordon Churchill (Winnipeg South Centre): On the point of order, Mr. Speaker, perhaps the house leader would take into account the numerical strength of the various parties, if a limitation of time is to be imposed, and make it on that basis.

Mr. Howard Johnston (Okanagan-Revelstoke): Mr. Speaker, I should like to lodge something of a protest against this most unusual attempt to brush over what was supposed to be a high minded debate on Friday by shifting it to Thursday morning. It seems to me that just a few days ago we went through the bi-annual exercise of playing fast and loose with the date for the recess. Everybody resolved, with great unity of purpose, that we could forgo one day of the recess in order to debate this topic. I feel that a commitment was made at that time by the people who precipitated the adjournment debate, by the Prime Minister and by the house leader for the official opposition, for the debate on Friday. I find it passing strange we should in any way renege on that commitment to the Canadian people, who I am sure feel that housing is a sufficiently important topic that a day should be allotted to it.

[*Translation*]

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

In his first motion, the minister said simply:

That when the house rises this week for the Christmas recess—

He failed to specify which day: Thursday or Friday? If we are to sit Friday, Mr. Speaker, then I wonder why, under the terms of the second motion, we could not sit Thursday to deal with the regular business of the house, and Friday, to debate the housing problem. I think the minister should give us some clarification and tell us whether or not we are to sit Friday, supposing that we pass this motion to hold the housing debate on Thursday morning? Could the minister answer this question?

[*English*]

Mr. Speaker: In speaking now the minister will close the debate.

Mr. MacEachen: Mr. Speaker, it is proposed that the house will rise on Thursday. The precise time of adjournment was not placed in the order because we are not certain at this point at what moment on Thursday the house will adjourn. It is not intended to sit on Friday.

With respect to the motion now before the house, Mr. Speaker, it was felt—and I think this view was expressed by all parties in the house—that this would be an efficient and useful way to have a housing debate. It will be possible for all points of view to be expressed in this three hour period. In no way is the house ignoring its obligations to the people of Canada, nor its obligation to have a debate on the subject before the Christmas adjournment. I am sure if the time is properly used tomorrow morning it will be possible to have as useful a debate as if it were held later in the week.

With respect to the proposal made by the hon. member for Winnipeg North Centre, I am quite prepared to consult with the other parties to arrange for a 20 minute time limit, and also to take into account the point made by the hon. member for Winnipeg South Centre. If these two points of view can be reconciled, then it will be possible to have a wider participation representative of all members of the house.

Motion agreed to.

Questions

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HALIFAX RELIEF COMMISSION

Question No. 416—**Mr. Caouette:**

1. In what activities has the Halifax relief commission been involved over the past three years?

2. Who are the members of this commission?

3. What were the annual expenditures of this body for each of the past three years?

4. Does the government intend to do away with this body, which was established in 1918?

Hon. Mitchell Sharp (Minister of Finance): 1. Over the past three years the Halifax relief commission has continued to carry out the responsibilities for which it was established, namely, the payment of pensions to those suffering disabilities and to widows of victims of the Halifax explosion of December 6, 1917. In addition, medical assistance in relation to their disabilities is provided for both pensioners and others who were injured in the explosion. The commission is also responsible for the management of the funds and property with which it was entrusted.

2. A. M. Butler, chairman; F. H. Flinn; W. E. Tibbs.

3. 1964, $114,355; 1965, $114,412; 1966, $110,764.

These expenditures were made from revenues accruing to the commission from funds donated for relief many years ago by various governments and private donors.

4. As the need for the assistance provided by the commission diminishes with the passage of time, the federal government will review with the government of Nova Scotia the question of the future of the commission.

C.N.R. EMPLOYEES WITH EXPENSE ACCOUNTS

Question No. 523—**Mr. Godin:**

How many employees of the Canadian National Railways had company expense accounts during the year 1966?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: It is company policy to reimburse all legitimate out of pocket expenses incurred by any employee in connection with the business of the company. The control of these expenses is maintained through the company's budgetary and other internal controls. It is not possible to answer the question in the form asked as the expenses involved are allocated to the specific phase of the business of the company where the expenditure was incurred.

C.B.C. NORTHERN SERVICE

Question No. 526—**Mr. Nielsen:**

1. How many employees are employed by the Canadian Broadcasting Corporation in connection with the operation of the C.B.C. Northern Service in the Yukon (a) in Whitehorse (b) in Ottawa or elsewhere, and what is the name, position and salary of each such employee?

2. (a) What was the cost of the operation of the C.B.C. Northern Service in the Yukon for each of the years since its establishment (b) what was the cost of such operation in the Northwest Territories for each of such years?

3. What was the cost of the establishment of the "Frontier Package" in Yellowknife, N.W.T., and what is the estimated annual cost of operation?

4. (a) When is it intended to establish such "Frontier Package" in the Yukon (b) upon the establishment of television services in the Yukon, what communities will be served (c) what is the estimated cost of the establishment of the "Frontier Package" in the Yukon and the anticipated annual cost of operation?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: 1. (a) 13. (b) Ottawa, 13; Yellowknife, 14; Inuvik, 9; Frobisher Bay, 9; Goose Bay, 10; Churchill, 9; Montreal, 10. Staff in Ottawa and Montreal are also engaged in providing recorded and shortwave programs for the Department of National Defence radio stations overseas and programs for the northern short wave service. While it has not been customary to request the C.B.C. to disclose salaries of individual employees, a list of positions by location is attached.

2. (a) and (b)

Cost of northern service operations

	Yukon $	Northwest Territories $
1958-59	31,827	14,645
1959-60	136,862	75,372
1960-61	175,370	128,703
1961-62	235,475	199,689
1962-63	211,723	263,608
1963-64	206,751	298,465
1964-65	227,291	303,943
1965-66	235,194	356,157
1966-67	263,115	450,229

3. Cost of establishing the frontier station at Yellowknife was $48,000. This does not include costs of establishing special recording facilities at Calgary and testing equipment which is also for use in servicing other such stations. Estimated annual cost of operating the Yellowknife station is $22,000.

4. (a) The corporation intends to submit an application to the Department of Transport in January, 1968, for a frontier station at Whitehorse. This application is expected to be heard at the public hearing of the B.B.G. in April, 1968. (b) Other television stations are planned for the Yukon in addition to that at Whitehorse but exact locations have not been finally determined nor have details of construction and cost yet been worked out. (c) The estimated capital cost for the Whitehorse station is $108,700. A larger transmitter than that normally planned for a frontier station will be used, primarily due to the problems of terrain in the area. Also, a tape playback centre will have to be installed away from the transmitter site and linked to the transmitter by microwave to overcome problems arising from the difficulty of access to the transmitter. The estimated annual operating cost for Whitehorse is $45,000. Costs involved with development of other locations cannot be forecast realistically until on-site surveys have been made and detailed engineering estimates developed.

1. Established positions by location: Whitehorse, Y.T.; Station manager; Clerk; Supervising technician; Technician; Program supervisor; Receptionist-switchboard operator; News editor; Announcer/operators (6).

Ottawa—headquarters northern service and armed forces service: Director; Administrative officer; Administrative assistant; Program liaison officer; Program planning officer; Supervisor of technical operations; Clerical and secretarial (7).

Montreal—production centre northern service and armed forces service (including shortwave): Production manager; Production assistant; Presentation officer; Producers (3); Program assistant; Clerical and secretarial (3).

Yellowknife, N.W.T.: Station manager; Clerk; Supervising technician; Technicians (2); Receptionist-switchboard operator; News editor; Program supervisor; Announcer/operators (6).

Inuvik, N.W.T.: Station manager; Clerk; Supervising technician; Announcer/operators (6).

Frobisher Bay, N.W.T.: Station manager; Clerk; Technician; Announcer/operators (6).

Goose Bay, Labrador: Station manager; Clerk; Technician; Receptionist-switchboard operator; Announcer/operators (6).

Churchill, Manitoba: Station manager; Clerk; Technician; Announcer/operators (6).

GREAT SLAVE LAKE RAIL LINE

Question No. 574—**Mr. Schreyer:**

1. With regard to the construction of Great Slave lake railroad, what was the original estimate of the date of completion and of the total cost of construction and what was the actual date of completion and the total cost?

2. How many road construction contractor firms were involved in this construction?

3. How many contractors went bankrupt during this operation or within one year after date of completion?

4. How many settlements regarding claims have been finalized?

5. How many claims are pending?

6. On each section of the railway construction project for which separate tenders were called and where the amount of earth moving was not in accordance with specifications, to what amount was the actual in excess of or below that specified for tenders?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. Original estimated date of completion was December 31, 1966. The original estimated cost was $86,250,000. By order in council No. P.C. 1966-2415 dated December 22, 1966 the date of completion of the line of railway was extended to March 31, 1970 and until the line is completed actual final cost figures cannot be given.

2. Ten.

3. The information requested is not within the knowledge of the railway.

4, 5 and 6. As litigation is pending in the courts on certain aspects embraced by these questions, it is not considered appropriate to provide information in view of the sub judice nature of the matter.

RECONSTRUCTION OF TRESTLE ON BRANCH LINE, CHELAN, SASK.

Question No. 586—**Mr. Korchinski:**

Does the government intend to continue its policy to guarantee certain railway branch lines until January 1, 1975 and, if so, when will the trestle on the branch line west of Chelan, Saskatchewan, be reconstructed?

Questions

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Yes. The Canadian Transport Commission advises as follows: The railway transport committee of the Canadian Transport Commission, by its order No. R-715 of December 1, 1967, has ordered the Canadian National Railways to reconstruct the railway bridge destroyed by fire on May 19, 1967, on the Chelan subdivision, near Chelan, Saskatchewan, within three months of the date of the order.

STEEL AND NICKEL PRODUCTION

Question No. 638—**Mr. Godin:**

1. Does the government intend providing any support towards increasing the steel and nickel production in Canada?

2. By how much should this production be increased to meet Canadian requirements?

Hon. Judy V. LaMarsh (Secretary of State): In so far as the Department of Energy, Mines and Resources is concerned: 1. The government already provides substantial encouragement to the nickel and steel industries through certain mineral incentives under the Income Tax Act. These incentives have contributed substantially and directly to past and present expansion programs of these two industries.

2. Canadian production of nickel far exceeds domestic Canadian requirements, so much so that about 97 per cent of production must be sold on the export market. Canadian steelmaking capacity is now over 12 million tons a year, more than enough to meet current Canadian requirements of about 10.5 million tons a year.

In so far as the Department of Industry is concerned: 1. The government does not currently have any intention of providing support toward increasing steel or nickel production in Canada.

Both of these industries are in a strong position with the exception of the current problems involving the Sydney, Nova Scotia steel plant. There has been a substantial expansion in Canadian plant capacity in recent years.

2. The Canadian steel industry supplies approximately 87 per cent of the country's demand for primary iron and steel products and in 1966 exported more tonnage than Canadian steel consumers imported. Some of the imports consisted of kinds of steel not produced in Canada.

[Mr. Korchinski.]

Canada consumes only 4 per cent of its nickel production. The balance of output is exported. Canadian capacity is being expanded to supply the growing world demand for this product.

LETTER FROM TRAINMEN'S UNION, SYDNEY, N.S.

Question No. 646—**Mr. Muir (Cape Breton North and Victoria):**

With reference to question No. 282, answered on June 26, 1967 has the board of transport commissioners reported on the matter referred to them by the Minister of Transport?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Yes, the secretary of the union being notified accordingly. A copy has been provided the hon. member.

EVALUATION OF PILOT PROJECT, ELLIOT LAKE, ONT.

Question No. 682—**Mr. Aiken:**

1. With respect to the pilot project at Elliot Lake in which the Indian affairs branch is a participant, was there a contract awarded to Dr. Jamieson Bond for the evaluation of the project?

2. Has the Department of Manpower and Immigration, also a participant in the project, any facilities for research and, if so, for what reason or reasons was the evaluation of the project carried out by contract rather than by the said department?

3. Has any report of the evaluation been completed and made available to the government and, if so, at what cost, and if such report has been completed, what is the nature of its content and recommendations, if any?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Indian Affairs and Northern Development and Manpower and Immigration as follows: 1. Yes, an evaluation, particularly of attitudes and social factors.

2. The Department of Manpower and Immigration has facilities within its organization for carrying out research studies. However, as the department's participation in the Elliot Lake project was limited to arranging occupational training when this was required, the decision concerning the method of evaluating the project would rest with the Indian affairs branch, which had the primary interest in the project.

3. The report has not yet been received; the cost will not exceed $4,900.

PENSIONS OF RETIRED C.N.R. EMPLOYEES

Question No. 691—**Mr. Knowles:**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of a pension of $25 per month?

3. How many are in receipt of pensions of (a) $25.01 to $29.99 per month (b) $30 to $39.99 per month (c) $40 to $49.99 per month (d) $50 to $59.99 per month (e) $60 to $69.99 per month (f) $70 to $79.99 per month (g) $80 to $89.99 per month (h) $90 to $99.99 per month (i) $100 to $124.99 per month (j) $125 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $299.99 per month (m) $300 per month or over?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: The information currently available is the same as was given in reply to question No. 2427 of January 13 last.

C.N.R. PENSION FUNDS

Question No. 692—**Mr. Knowles:**

1. What was the total amount of money on the books of the pension funds of the Canadian National Railways as at (a) December 31, 1964 (b) December 31, 1965 (c) December 31, 1966?

2. What rate of interest does the C.N.R. pay on this money?

3. What amount of interest was credited to the above noted pension funds during the year ending (a) December 31, 1964 (b) December 31, 1965 (c) December 31, 1966?

4. What was the total amount paid out of the above noted funds in pensions during the years ending (a) December 31, 1964 (b) December 31, 1965 (c) December 31, 1966?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: The information which is contained in the company's annual reports for the years 1964 and 1966, is as follows: 1. The total amounts of the investments, cash and other current assets on the books of the pension trust funds were: As at December 31, 1964, $531,627,361; December 31, 1965, $575,887,009; December 31, 1966, $626,818,658.

2. The CNR does not pay interest on these assets which are held separately in the pension trust funds.

3. Net earnings on the investments of the pension trust funds were: Year ended December 31, 1964, $23,830,471; December 31, 1965, $25,932,593; December 31, 1966, $28,763,156.

4. Total amounts of the pensions paid out of the pension trust funds were: Year ended December 31, 1964, $32,145,649; December 31, 1965, $34,575,142; December 31, 1966, $37,595,615.

REQUEST FOR OCCUPATIONAL TRAINING, FORT ALEXANDER INDIAN BAND

Question No. 694—**Mr. Jorgenson:**

1. Has Chief Dave Courchene of the Fort Alexander Indian band in Manitoba made application or representations to the Indian affairs branch and/or the office of the Department of Manpower in Manitoba for the basic upgrading of forty-two Indian people in his band who are unemployed and eligible for training under the occupational training for adults legislation?

2. If so, what consideration, if any, did the respective departments give to the request of Chief Courchene?

3. With respect to his request, did the Indian affairs branch indicate to him that the branch would provide welfare for the people on course in lieu of allowances?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Departments of Manpower and Immigration and Indian Affairs and Northern Development as follows: 1. Chief Dave Courchene of the Fort Alexander Indian band in Manitoba has not made any direct representation to the Department of Manpower and Immigration. Some 40 persons are currently being financed in courses on this reserve, and other applicants will be considered.

Mr. David Courchene, chief of the Fort Alexander Indian band, has made representation to the Indian affairs branch regarding training for the Fort Alexander reserve.

2. and 3. Chief Courchene was informed by the Indian affairs branch of the position it would take in the event that the Department of Manpower and Immigration did not authorize the purchase of level IV training, as follows:

(a) Indian affairs would either purchase the service from the province or operate the course.

(b) Indian affairs would pay the cost of instruction, including teacher's salary, books, and transportation when required.

(c) It would not be possible for Indian affairs branch to pay living allowances.

(d) Most unemployed reserve residents desiring training would be receiving welfare assistance which would cover their living requirements.

(e) Indian affairs branch does not wish to take people out of employment and to put

them in training. If the employed Indian people desire to raise their educational level, a possibility of evening courses would be explored.

ADMINISTRATION OF HARBOURS

Question No. 715—**Mr. Caouette:**

1. Does the government intend to set up an autonomous body for the control of the Montreal Harbour?

2. Does the government intend to apply the recommendations of the Gibb and Glassco Royal commissions concerning the administration of Canadian harbours and, if not, for what reason?

3. Has the government taken any steps to make the St. Lawrence River navigable throughout the year and, if so, what are they?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. No.

2. The Department of Transport has already implemented the recommendation of the Glassco royal commission that the administration of Canadian harbours be decentralized. This is being done by establishing local harbour commissions under 13 Eliz. II, Chap. 32, "an act on the establishment of harbour commissions".

Furthermore, with the regional organization now under implementation, harbour administration will be delegated to the regions.

Generally speaking, the Gibb report was implemented in part by the formation of the National Harbours Board in 1936 under the National Harbours Board Act. Recommendations of the Glassco commission were implemented, in so far as harbours under the jurisdiction of the National Harbours Board are concerned, wherever it was found practicable to do so.

3. In the St. Lawrence river below Quebec the arrangements to support navigation throughout the winter consist of an organization to maintain up to date information on the constantly changing ice situation and to advise shipping on the conditions that they may expect and the easiest route to follow. Where necessary available icebreakers escort ships through difficult areas.

Between Quebec and Montreal the Department of Transport uses icebreakers to maintain an open channel so that broken ice from up river may move down freely and avoid heavy accumulations that will cause the river level to rise. Suitably constructed vessels are free to use this channel provided they do not impede flood control operations. There is no means at present of entirely preventing conditions that will cause ice to jam in the channel from time to time during the winter, but these blocks are always removed as quickly as possible.

[Miss LaMarsh.]

*CONSTRUCTION OF NATIONAL REVENUE BUILDING, OTTAWA

Question No. 735—**Mr. Aiken:**

1. Has construction recently commenced on a new building for the Department of National Revenue at Confederation Heights, Ottawa?

2. If so, when was the work started, what is the projected completion date, and the total estimated cost?

3. What is the purpose for which this building is being constructed?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes.

2. The contract for $17,981,000 was awarded on August 18, 1967. The projected completion date is February, 1970.

3. To provide consolidated accommodation for the taxation division of the Department of National Revenue and for the data centre.

C.N.R. LAY-OFFS, QUEBEC REGION

Question No. 764—**Mr. Laprise:**

1. Since the layoff of C.N.R. employees in Quebec regions on November 1 last, how many work days have been lost by employees transferred to other sections of their region?

2. What is the estimated amount lost by these employees?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1 and 2. The company does not maintain records which would readily produce information to answer the question in the form asked. This type of information is not required for purposes of the operation of the railway and would entail considerable time and clerical expense to produce.

CENTENNIAL INTERNATIONAL DEVELOPMENT PROGRAM

Question No. 767—**Mr. MacDonald (Prince):**

1. Has the centennial commission recently declared a surplus in its operations and, if so, how much?

2. Is consideration being given to using all or part of this surplus for the development of foreign aid programmes or for further work by the centennial international development programme?

3. What plans have been formulated for the continuance of the centennial international development programme?

4. How much money is it estimated has been raised to date under the auspices of the centennial international development programme?

5. In what cities have events been sponsored by the centennial international development programme?

6. How many persons is it estimated were involved in the various programmes and events sponsored by the centennial international development programme?

Hon. Judy V. LaMarsh (Secretary of State): 1. The centennial commission has not declared a surplus in its operations. However, it is expected that some of the funds voted in the current fiscal year by parliament to the centennial commission will not be required through economies largely in the administration vote and accordingly whatever amount remaining will lapse as of March 31, 1968.

2. No. As indicated in the answer to part 1, most of the savings are in the administration vote and cannot be used for programs not under the administration vote.

3. None.

4. Total: $1,192,000.

5. Victoria, Vancouver, Calgary, Red Deer, Edmonton, Regina, Three Hills, Alta., Winnipeg, Brandon, Man., Lakehead, Kitchener/Waterloo, Hamilton, London, Welland, Scarborough, Windsor, Orillia, Ottawa, Montreal, Fredericton, Moncton, St. John's, Memorial University.

6. Four million people have been affected by world weekends and marches. 99,000 Canadians marched in miles for millions marches. Over four million Canadians were involved in aspects of CIDP programming.

PRESENTATION OF CENTENNIAL MEDALS

Question No. 774—**Mr. McCleave:**

What, if any, arrangements have been made by the armed forces and civilian departments for any ceremonies involving the presentation of the Centennial Medals?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the Department of National Defence and my department as follows: Special arrangements were not made by the armed forces for the presentation of the centennial medal to its members. The medals however, were despatched in bulk to unit commanding officers for presentation to those members under their command. The form of the presentation ceremonies was the prerogative of the unit commanding officer. Nominations for the centennial medal in respect of civilian employees of all departments are sent to the Department of the Secretary of State and the medals are subsequently forwarded direct to the recipients by that department by registered mail.

FISHERIES EMPLOYEES IN YUKON

Question No. 782—**Mr. Nielsen:**

1. How many fisheries officers are employed in the Yukon?

2. What other employees, if any, are employed by the Department of Fisheries in the Yukon?

3. In each case, how long have the said employees been so employed?

4. What is the total cost of the operations of the Department of Fisheries in the Yukon for each of the years since the establishment of a fisheries office in the Yukon?

Hon. H.-J. Robichaud (Minister of Fisheries): 1. Two fisheries officers are employed in the Yukon, one fishery officer 4 and one fishery officer 1.

2. One clerical and regulatory level 3.

3. Fishery officer 4 since Dec. 15, 1964; fishery officer 1 since Feb. 1, 1967; clerical and regulatory level 3 since June 23, 1966.

4. 1966-67, $37,896.00; 1965-66, $29,477.00; 1964-65, $23,278.00; 1963-64, $24,267.00; 1962-63, $27,747.00; 1961-62, $32,885.78; 1960-61, $25,951.08; 1959-60, $17,249.93; 1958-59, $6,010.09; 1957-58, $913.93; 1956-57, $616.51.

DELAYS IN PENSION PAYMENTS, ARMED FORCES PERSONNEL

Question No. 783—**Mr. Harkness:**

Are members of the Armed Forces, upon retirement, experiencing delays in the payment to them of pensions under the Canadian Forces Superannuation Act and, if so (a) how long are these delays (b) what are the reasons for them (c) have steps been taken to improve this situation and what are they?

Hon. Léo Cadieux (Minister of National Defence): Not normally. Service personnel during the course of their release procedures are informed that they may expect the first payment of any pension they are entitled to under the Canadian Forces Superannuation Act within six weeks of their official release date. On average initial payment cheques are issued well within this six weeks period, the average is 28 days. There are, however, isolated cases where delays are experienced. (a) In such isolated cases delays of from two to four weeks over the six weeks period have

been experienced. (b) Some delays are attributable to the complete review of the administrative procedures leading up to the payment of benefits and to the conversion of the three service pay manual systems to a computer system. (c) Yes, the integration of the services benefit sections will improve the situation and will isolate the problem cases so that they will receive special treatment.

DEVELOPMENT BANK LOAN TO VICTORIA SHINGLE COMPANY

Question No. 787—**Mr. Douglas:**

1. Did McCarter Shingle and Shake Ltd., 119 Sanghees Road, Victoria, B.C., secure a loan from the Industrial Development Bank?

2. If so, what was the amount of the loan and the interest charged for this loan?

3. Has a moratorium been granted on the repayment of principle and/or interest by the Industrial Development Bank?

4. If so, what was the reason for such a moratorium being granted and how long is the moratorium to last?

Hon. Mitchell Sharp (Minister of Finance): 1, 2, 3 and 4. It has not been the practice nor is it considered appropriate for the I.D.B. to make information publicly available relating to the affairs of a particular applicant or borrower.

ADDITIONAL LAND FOR NEW WELLAND CANAL

Question No. 788—**Mr. Saltsman:**

1. How much land has the St. Lawrence seaway authority purchased or expropriated for a new canal from Thorold to Lake Ontario and what has been the cost?

2. What amount of additional land may be taken over and what would be the estimated cost?

3. What is the cost estimate for the entire canal project?

4. When does the seaway authority plan to proceed with this development?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): The St. Lawrence Seaway Authority advises as follows: 1. Approximately 2210 acres at an estimated cost of $7,000,000.

2. If any additional land is required, the amount should be relatively minor.

3 and 4. The cost estimate is confidential and no decision has been made to proceed with the project.

[Mr. Cadieux (Terrebonne).]

*CEREMONIES AT OPENING OF TELEVISION STATION, HAVRE SAINT-PIERRE

Question No. 792—**Mr. Ricard:**

Were special ceremonies organized for the official opening of the television station at Havre Saint-Pierre and, if so (a) what was the nature of the ceremonies (b) who were the participants (c) what was the cost of the ceremonies (d) what amount was paid to each of the participants?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Special ceremonies were organized to mark the opening of the new C.B.C. television station at Havre Saint-Pierre. I am informed by the C.B.C. that the chamber of commerce organized a dinner attended by chamber officials and members, the hon. member for Saguenay, the mayor of Havre Saint-Pierre and three C.B.C. French network officials. The corporation arranged for the taping in advance of speeches by the mayor and by the C.B.C.'s director of television programming to mark the opening of the station. Costs absorbed by the corporation involved travelling expenses and taping sessions only.

[*English*]

FALCON JET AIRCRAFT PURCHASES

Question No. 795—**Mr. Dinsdale:**

1. How many Falcon jets are being purchased by the R.C.A.F.?

2. What is the total cost of these aircraft?

3. What will be the operational functions of these aircraft?

4. When will they be operational?

Hon. Léo Cadieux (Minister of National Defence): 1. Seven.

2. Approximately $9,170,000.

3. The Canadian forces have a service requirement for an aircraft capable of providing faster and more economical transportation, to replace Cosmopolitan and Dakota aircraft being withdrawn from service. It will provide airlift for commanders and/or their staffs between the functional headquarters and the main military centres in Canada for which they are responsible.

4. Early in 1968.

*LA LOCHE, SASK.—INTERFERENCE WITH MAIL FOR INDIANS

Question No. 801—**Mr. Brand:**

1. Has the government received any complaints from the residents of La Loche, Saskatchewan, regarding the unauthorized opening by Hudson Bay Company employees of mail addressed to Indians and, if so, what action was taken in this regard?

2. Has the government received any complaints from the residents of La Loche, Saskatchewan, regarding the retention by Hudson Bay Company employees of government cheques addressed to Indians and, if so, what action was taken in this regard?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am informed by the Departments of Indian Affairs and Northern Development and Post Office as follows:

1. No.

2. No.

[*English*]

COMMUNITY PASTURE, SUFFIELD RESEARCH STATION

Question No. 808—**Mr. Horner (Acadia):**

Has the Department of National Defence decided to permit the use of the pasture area at the Suffield research station to be used as a community pasture in the coming year?

Hon. Léo Cadieux (Minister of National Defence): No. Any decision to permit the use of pasture at the defence research establishment Suffield is dependent upon the declaration of an emergency drought situation, and subject also to the nature of usage for defence purposes in progress at such time.

COMPLETION OF BUREAU OF STATISTICS FORMS

Question No. 809—**Mr. MacEwan:**

1. Under what authority are forms forwarded by the Dominion Bureau of Statistics for completion by various companies in Canada?

2. What penalties are involved if a form is not completed, and for non-compliance with instructions and under what authority?

3. What guarantee is provided by D.B.S. to a company to keep information confidential?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): 1. The Dominion Bureau of Statistics collects information from companies, establishments, organizations and individuals, compiles and publishes the resulting data, under the authority of the Statistics Act, chapter 257, Revised Statutes of Canada, 1952.

In addition, the dominion statistician is responsible for the administration of the Corporations and Labour Unions Returns Act, chapter 26, 10-11 Elizabeth II which came into force on January 1, 1963. Under this act certain corporations and labour unions are required to supply the dominion statistician with financial and other information.

2. Under the Statistics Act, section 35, every person who, without lawful excuse, refuses or neglects to answer, or wilfully answers falsely, any question requisite for obtaining any information sought in respect of the objects of the act is guilty of an offence and is liable, upon summary conviction, to a fine not exceeding one hundred dollars or to imprisonment for a term not exceeding three months or to both fine and imprisonment.

Under the Corporations and Labour Unions Returns Act, section 6(1), every corporation that fails to file with the dominion statistician a return for a reporting period as and when required, is guilty of an offence and liable on summary conviction to a fine not exceeding fifty dollars for each day of such default. Where a corporation is guilty of an offence, every officer, director or agent of the corporation who directed, authorized, assented to or acquiesced in or participated in the offence is a party to and guilty of the offence and is liable on summary conviction to the above fine for the offence or to imprisonment for a term not exceeding three months, or to both such fine and imprisonment, whether or not the corporation has been prosecuted or convicted therefor.

3. Under the Statistics Act, Section 6, every officer, census commissioner, enumerator, agent and other person employed in the execution of any duty under this act must take and subscribe an oath, swearing that he or she will not disclose or make known any matter which comes to his knowledge by reason of his employment.

Under Section 15, no individual return and no part of an individual return made, and no answer to any question put, shall, without previous consent in writing of the person or the owner for the time being of the undertaking, be published, nor, except for the purposes of a prosecution under this act, shall any person, other than a person employed by the bureau, or working under arrangement with the bureau and sworn under the abovementioned oath, be permitted to see any such individual return, part or answer. In addition,

no report, summary of statistics or other publication under the Statistics Act shall contain any of the particulars comprised in any individual return so arranged as to enable any person to identify any of the particulars as relating to any individual person or business. Returns of carriers or public utilities, hospitals, institutions, libraries and universities are exempt from the secrecy provision except returns of a financial nature or where an individual patient or other person might be identified.

Under the Corporations and Labour Unions Returns Act, financial and certain other information is privileged and is available only to an official or authorized person employed for specified purposes. If any such person, including any person formerly employed, contravenes the secrecy section of the act, section 14(7), he or she is guilty of an offence and liable on summary conviction to a fine not exceeding one thousand dollars or imprisonment for a term not exceeding three months, or both such fine and imprisonment.

PURCHASE OF AIRCRAFT FOR USE IN CANADA

Question No. 811—**Mr. Hales:**

Is the Department of Transport considering making an amendment to the appropriate air regulations to enable a Canadian citizen to purchase a registered Canadian aircraft for use in Canada and permit him to have the privilege of taking possession of the aircraft immediately that the bill of sale has been duly signed, witnessed, and dated, and commence to operate it for a period of 15 days without the need for any documentation or permission being necessary from the Department of Transport?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): Yes, civil aviation officials have had under study for some time proposed legislation which would amend current regulations relating to aircraft ownership and registration.

New regulatory procedures, as a matter of priority, are planned to be introduced early in 1968, and will permit the continuing use of an aircraft while change of ownership and registration is being effected.

EFFECT OF SULPHUR DIOXIDE FUMES, SUDBURY

Question No. 817—**Mr. Germa:**

Will the Minister of National Health and Welfare undertake a survey to determine the effects on workers, of long term exposure to high concentrations of sulphur dioxide fumes at the International Nickel Company plant in the Sudbury district?

[Mr. Cantin.]

Hon. A. J. MacEachen (Minister of National Health and Welfare): The Department of National Health and Welfare would assist the provincial government, if requested, in conducting a survey of this type.

PLUG-IN OUTLETS, SASKATOON AIRPORT

Question No. 818—**Mr. Brand:**

1. Has the Department of Transport considered providing all-weather electrical outlets for automobile plug-in use at the Saskatoon airport (a) for DOT staff members and other airport employees (b) for the general public?

2. If not, what are the reasons for non-provision of this service?

3. If so, when will these plug-ins be made available?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1. (a) Yes. (b) No.

2. (b) No practical means are available for control and recovery of capital and operating costs by the department for outlets provided in public parking areas.

3. (a) The installation of outlets, for use of persons employed at the airport, is proposed in conjunction with the plans for extension of parking facilities for which funds are presently included in the 1968/69 capital estimates.

INVESTIGATION INTO OIL POLLUTION, HALIFAX HARBOUR

Question No. 821—**Mr. McCleave:**

1. What methods of investigation are used to investigate instances of oil pollution in Halifax harbour?

2. Who carries out such investigations?

3. What possible sources of oil pollution are checked, and how often?

4. Have the investigators found instances of oil pollution for which they could not specify the sources?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Transport): 1 and 2. Pursuant to the oil pollution regulations which are administered by the Department of Transport, upon learning of the presence of oil on the harbour waters, a steamship inspector of the Department of Transport goes to the scene and takes samples of the polluting oil and endeavours, visually and by considering the effects of winds and currents and the statements of any known witness, to trace the source. If there is a possibility of its being a ship, he visits the ship, inspects

its oil record book, its pumping equipment, overboard discharges, engine room and bilges, takes samples of oil and questions crew members. The various oil samples are analysed by commercial analysts.

3. Ships. Oil record books are checked upon arrival. Spot checks are carried out thereafter.

4. yes.

TOBACCO IMPORTS FROM SOUTH AFRICA

Question No. 824—**Mr. Brewin:**

What are the figures for the importation of tobacco from the Republic of South Africa into Canada during each of the last five years?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The figures for the importation of tobacco from the Republic of South Africa into Canada during each of the last five years are as follows:

Year	Description	Quantity Lbs.	Value $
1962	Tobacco, cigar leaf, unstemmed	159,459	74,302
1963	Tobacco, cigar leaf, unstemmed	122,786	63,096
1964	Tobacco, unmanufactured stemmed, n.e.s.	78,410	52,721
1965		Nil	Nil
1966		Nil	Nil

C.B.C. PROGRAM "HATCH'S MILL"

Question No. 826—**Mr. MacEwan:**

1. What is the cost of making one production of the C.B.C. programme "Hatch's Mill"?

2. Are there any sponsors for this programme, or is any revenue obtained by the C.B.C. from the production of this programme?

3. Are there any natural born Canadians employed as actors or actresses in the cast of this programme and, if so, how many?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the C.B.C. as follows: 1. Cost of making the hour long color programs in the "Hatch's Mill" series varies from week to week, but averages about $100,000 per program.

2. Yes. There are two sponsors, each of which sponsors a half hour on alternate weeks.

3. Yes. The village setting for this historical drama series requires a fairly large cast which includes 53 natural born Canadians.

PURCHASE OF EXPO SECURITIES

Question No. 829—**Mr. Hales:**

1. What is the total value of the securities purchased by the Dominion of Canada from the Canadian Corporation for Expo '67?

2. What is the rate of interest charged and the total value of the interest?

3. Has any of the interest been paid?

4. Have any of the securities been redeemed?

Hon. Mitchell Sharp (Minister of Finance): 1. $205 million.

2. Rates of interest are established quarterly, based on the government's own cost of borrowing for comparable maturities. They vary from 5⅛ per cent on notes issued in 1965 to 5⅞ per cent on notes issued during the fourth quarter of 1967. The value of interest accruals to December 31, 1967 is $13.2 million.

3. Yes. Interest is payable semi-annually, and all due payments have been met in full.

4. No.

FEDERAL ASSISTANCE TO CORNING GLASS FOR PLANT CONSTRUCTION

Question No. 836—**Mr. Martin (Timmins):**

Was any money advanced by the federal government to assist Corning Glass to build their plant at Bracebridge, Ontario, and, if so (a) how much (b) what provisions and safeguards are set down to ensure Corning Glass lives up to labour laws and regulations?

Hon. Judy V. LaMarsh (Secretary of State): I am informed by the departments of Industry and Labour as follows: (a) Corning Glass Works of Canada Ltd. has applied to the area development agency for assistance under the Area Development Incentives Act in connection with a new plant near Bracebridge, Ontario. The level of assistance has not been determined pending confirmation of allowable capital costs for the project. (b) Labour laws and regulations governing the construction of any such plant would come under the jurisdiction of the provincial authorities.

SALE OF C.M.H.C. HOUSES, ELLIOT LAKE, ONT.

Question No. 837—**Mr. Martin (Timmins):**

1. Has the price of houses owned by C.M.H.C. in Elliot Lake gone up since July, 1967, and if so, by how much and for what reason?

2. Has the legal fee for handling transfer of titles of C.M.H.C. houses in Elliot Lake been increased since July, 1967, and if so, by how much and for what reason?

Questions

Hon. J. R. Nicholson (Minister of Labour): 1. Houses sold in Elliot Lake by Central Mortgage and Housing Corporation subsequent to October 1, 1967, have been at prices $500 higher than charged for comparable houses sold earlier. Previous sale prices were established in 1961 and were substantially below reproduction cost. The cost of rehabilitating houses for sale has very substantially increased and is the main reason for the price increase. Market conditions generally in Elliot Lake have improved substantially and the increased price is partially a reflection of the more buoyant market.

2. The cost of preparing and registering transfers of titles from Central Mortgage and Housing Corporation to house purchasers is borne by the corporation with no legal fees charged to the purchasers. The corporation has no knowledge of the level of charges made by solicitors who may be acting on behalf of purchasers and who were retained by them.

*C.B.C. BROADCAST OF MEETING WITH MESSRS. LEVESQUE AND AQUIN

Question No. 844—**Mr. Blouin:**

Did a team from the Canadian Broadcasting Corporation visit Sept-Iles, Quebec, and broadcast a meeting with Messrs. René Lévesque and François Aquin on the evening of Saturday, December 9, 1967 and, if so (a) on whose authority (b) what are the names of the participants paid by the C.B.C. for this trip and what were the amounts paid by the Corporation for each (c) what were the total expenses for this broadcast, including the return trip—Montreal-Sept-Iles—and how much time did the team from the C.B.C. spend on location?

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): I am informed by the C.B.C. as follows: (a) On instructions from the office of the chief news editor for C.B.C. French networks, a crew was sent to Sept-Iles to cover the meeting with René Lévesque and Francois Aquin for radio and television. (b) No participant was paid by C.B.C. (c) Total expenses for the radio and television broadcasts amounted to $571. Two days were spent on location.

[*English*]

*EMPLOYMENT OF COL. CHURCHILL

Question No. 854—**Mr. McQuaid:**

1. On what date was Colonel Edward Churchill first commissioned by the government to review the design of the Northumberland Causeway?

[Mr. Martin (Timmins).]

2. By what department of government is Colonel Churchill employed and is his employment for any specific period of time?

3. Since the date of his employment, has Colonel Churchill made any interim report to the government and, if not will the government now ask for an interim report and make public the reply it receives from Colonel Churchill?

4. Is the Causeway project to be deferred or phased at a slower pace as a result of the reduction in expenditure levels which the government has undertaken to achieve for 1968-69?

5. What amount of money has been placed in the 1968-69 estimates for this project?

Hon. G. J. McIlraith (Minister of Public Works): Mr. Speaker, the answer to part 1 of the question was given on October 16, 1967, in reply to question No. 443, as appears at page 3115 of the *House of Commons Debates.*

As to part 2, the answer is (a) Department of Public Works and (b) yes. As to part 3 the answer is as follows. Colonel Churchill has had many exchanges in the ordinary course wtih other persons employed by the Department of Public Works. All are confidential in the normal way.

The answer to part 4 is, on December 7, 1967, the Minister of National Revenue stated in the House of Commons that:

The government has decided to defer the placing of any further new contracts for the Northumberland causeway, pending a thorough review of the situation by Col. Edward Churchill, whose services have been retained as a co-ordinator of the project.

The answer to part 5 is, this information will be set forth in the estimates for 1968-69.

IMPORTS FROM RUSSIA OF CHROMIC ACID AND CHROMIUM TRIOXIDE

Question No. 872—**Mr. Johnston:**

What was the value of chromic acid and chromium trioxide imported from the Soviet Union in the periods (a) January to December, 1965 (b) January to December, 1966 (c) January to December, 1967?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Trade and Commerce): The value of chromic acid (chromium trioxide) imported from the Soviet Union is as follows: (a) January to December 1965, nil; (b) January to December 1966, $26,000; (c) January to September 1967, (latest figures available), nil.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COSTS RESPECTING INDIANS COMPARED TO GENERAL PUBLIC

Question No. 337—**Mr. Howard:**

For each of the years 1963, 1964, 1965 and 1966, using the same procedures as were used by the Indian Affairs Branch in compiling the information which it presented to the January 1966 meeting of the national Indian Advisory Board, what estimate exists with respect to (a) the access to loans and credit for farm improvement, new and existing housing, and for other economic purposes had by (i) the general population of Canada (ii) Indians (b) the per capita investment in housing for (i) the general population of Canada (ii) Indian housing from Indian Affairs Branch appropriations, band revenues and individual contributions (c) the per capita assistance (relief) costs for (i) the general population in Canada (ii) Indians (d) the average salary or wage (excluding military pay) for (i) the general population of Canada (ii) Indians (e) the average age of death for (i) the general population of Canada (ii) Indians, showing male and female separately in each case (f) the percentage of (i) homes of the general population of Canada (ii) Indian homes supplied with (A) electricity (B) sewer service or septic tanks (C) running water (D) indoor baths?

Return tabled.

CROWN CORPORATIONS

Question No. 532—**Mr. Caouette:**

In each of the crown corporations described as a "proprietary corporation" under the terms of the Financial Administration Act (a) how many directors are there on each board of directors (b) what is the quorum required for board meetings (c) what is the length of the term served by the said directors (d) who determines their salaries (e) what are their salaries (f) who appoints the chairman of the board of directors (g) who appoints the president and general manager (h) what is the length of his term (i) who determines his salary (j) what is his salary?

Return tabled.

PROFITS OF CROWN CORPORATIONS

Question No. 538—**Mr. Caouette:**

1. What are, for each of the last three years, the annual deficits or profits of crown proprietary corporations?

2. What was, for each of the last three years, the part of the profits remitted to the federal government in the form of dividends or equivalent payments?

3. Has the government a policy regarding profits that applies to those proprietary corporations which show a deficit and, if so, what is that policy?

Return tabled.

INFORMATION SERVICE, LABOUR DEPARTMENT

Question No. 613—**Mr. Régimbal:**

1. (a) For each of the years 1964 to 1967 inclusive, what individuals were employed from time to time in the information and/or public relations services of the Department of Labour (b) in each year what was the total amount of salaries paid for such services?

2. (a) For each of the years 1964 to 1967 inclusive, what other persons, firms or corporations have been employed and/or retained for the purpose of preparing, disseminating or in any manner dealing with the information and/or public relations services of the department (b) what are the names of such persons, firms and corporations, if any; for what purpose and period was the employment and what was the cost in each instance?

3. (a) For each of the years 1964 to 1967 inclusive, how many press releases have been prepared for or on behalf of the department and/or the minister, and at what cost (b) for each of the years 1964 to 1967 inclusive, what radio and television time has been purchased by the department; for what purpose and for what cost (c) for each of the years 1964 to 1967 inclusive, what advertising or other space was purchased in domestic and foreign newspapers, magazines and other publications; for what purpose and for what cost?

4. For each of the years 1964 to 1967 inclusive, what advertising or any other related contracts have been awarded by the department; to whom were the same awarded, for what purpose and for what cost, and were public tenders called in each instance and, if not, upon what basis and by whom was the contract awarded?

5. Does the department maintain and/or operate any office located elsewhere than in Ottawa for the purpose, in whole or in part, of promoting the public relations of the department and/or the minister and, if so, where are such offices located; what is the cost of the maintenance and operation of such offices; how many are employed in each such office and at what salary or remuneration in each case?

Return tabled.

TENDERS FOR MAIL DELIVERY, OTTAWA

Question No. 793—**Mr. Smallwood:**

1. Were tenders called by the Post Office Department on or about August 24, 1966, for Ottawa post office combined urban service, delivery of parcel post, special delivery items and clearance of mail receptacles?

2. If so (a) what persons or firms tendered (b) what was the amount of each tender?

3. What action was taken by the Post Office Department in respect of these tenders and what was the reason for such action?

4. Were tenders again called for these services on or about November 9, 1966?

5. If so (a) what persons or firms tendered (b) what was the amount of each tender?

6. What action was taken by the Post Office Department in respect of these tenders?

7. What were the terms of the contract awarded as a result of these tenders, and on what date did it become effective and for what period of time?

8. Has there been any renegotiation or amendment of the terms of the contract so awarded?

9. If so, what changes, precisely described, have been made and, in respect of each change, on what date did it become effective?

10. Are wage differentials now being paid in respect of this contract?

11. If so (a) was there any provision for such payment in the original contract (b) what is the amount per hour of such differential (c) in each month, since the award of the contract, what total amount was paid to the contractor in respect of such wage differential?

12. Are all hours between runs and collections now being paid for?

13. If so (a) was there any provision for such payment in the original contract (b) what is the basis of calculation of the total hours (c) in each month since the award of the contract, what additional amount has been paid to the contractor as a result of this basis of calculation?

14. Is there now an arrangement with the contractor whereby additional allowances are made for one clearance or stop at a given sub-post office, enabling the contractor to double or triple the charges permitted by the contract?

15. If so (a) when did such additional allowances become effective (b) what additional amount has been paid to the contractor as a result thereof?

16. Under the provisions of the contract as now in effect and operation with such amendments, alterations, or additional charges as may have been permitted, what is the present actual unit cost to the Post Office Department for each item as compared with the tender originally submitted by the contractor for each item?

Return tabled.

Hon. Michael Starr (Ontario): Mr. Speaker, since 42 written questions were answered today, I think it is incumbent on me on the eve of the Christmas recess to congratulate the Prime Minister for prevailing on his ministers to be industrious and answer these questions. I hope this attitude and perseverance will continue in future.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is about the most gratifying exemplification of the Christmas spirit that I can think of. I wish to emphasize to my hon. friend that I need not prevail on my ministers to do these things; I have to hold them back.

Some hon. Members: Oh, oh.

Mr. Starr: Hold them back from what?

Mr. Pearson: I will not answer that, Mr. Speaker.

[Mr. Smallwood.]

[*Translation*]

MOTIONS FOR PAPERS

Mr. Albert Béchard (Parliamentary Secretary to Secretary of State): Mr. Speaker, notices of motions for production of papers Nos. 39 and 41 are acceptable to the government.

Notice of motion No. 37 is acceptable to the government, subject to the usual reservations concerning privileged papers and authorization by the governmental authorities concerned.

Would Your Honour be kind enough to call notice of motion No. 38?

Mr. Speaker, I ask that the remaining notices of motions be allowed to stand.

[*English*]

DEVELOPMENT OF NATIONAL CAPITAL AREA

Motion No. 37—**Mr. Bell (Carleton):**

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, memoranda, briefs or other documents exchanged since the first day of January, 1967, between the Prime Minister, the Minister of Public Works or any official on their behalf and the Premiers of Ontario and Quebec, any Member of the Executive Council or official of either Province, on the subject of development of the National Capital Area.

Motion agreed to.

APPOINTMENT OF POSTMASTER, LIBAU, MAN.

Motion No. 38—**Mr. Schreyer:**

That an Order of the House do issue for a copy of all correspondence and documents relating to the alleged decision of appointment in 1964 by the Post Office Department of one Mr. Ewald Greening as Postmaster for the Postal District of Libau, Manitoba, and that this order do specifically include such correspondence or documents which would indicate the reason or reasons why this alleged appointment did not in fact take effect.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, the notice of motion is acceptable, subject to the usual reservations.

Hon. Marcel Lambert (Edmonton West): No. What are they?

[*English*]

Mr. Speaker: Subject to the reservations or conditions expressed by the minister, is it the pleasure of the house that notice of motion No. 38 be deemed to have been adopted?

Mr. Lambert: No, Mr. Speaker. I rise on a point of order. I think it has been pointed out on a number of occasions that "the usual

reservations" on the part of the ministers are not enough. I think on a number of occasions the Chair has ruled that those reservations must be stated explicitly.

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, when I speak of the usual reservations, I mean confidential and personal letters which cannot be published.

[*English*]

Mr. Speaker: The point made by the hon. member for Edmonton West is well taken, and I suggest that ministers or parliamentary secretaries should do more than simply refer in a general way to "the usual conditions". The reservations should be detailed to some extent.

Motion agreed to.

APPOINTMENT OF COL. CHURCHILL, NORTHUMBERLAND CAUSEWAY

Motion No. 39—**Mr. McQuaid:**

That an Order of the House do issue for a copy of the Order in Council or other document appointing Colonel Edward Churchill as Government Co-ordinator of the Northumberland Causeway project.

Motion agreed to.

LEASE OF SPACE IN PLACE DE VILLE, OTTAWA

Motion No. 41—**Mr. McCutcheon:**

That an Order of the House do issue for a copy of all leases, agreements to lease, letters of intent to lease or other similar documents, relating to the occupancy by the Government of Canada of space in the building known as Place de Ville in the City of Ottawa, together with a copy of all correspondence, briefs or other documents exchanged between the Minister of Public Works or any officers of that Department and the owners of the said building or anyone, acting or purporting to act on their behalf since the first day of January, 1965.

Motion agreed to.

EXTERNAL AFFAIRS

VIET NAM—REPORTED STATEMENT BY PRIME MINISTER IN TAPED INTERVIEW

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Prime Minister, who is reported as having taped a message yesterday urging among other things that in connection with South Viet Nam the United States should simply stop fighting, a policy which President Johnson yesterday described as soft headed and pudding headed. I should like to ask the Prime Minister whether he consulted with President Johnson or any other responsible United States authority before making this reported statement, which I believe is likely to arouse a profound reaction from United States public opinion?

Right Hon. L. B. Pearson (Prime Minister): If I had in fact said what I am reported by the hon. gentleman to have said it might indeed arouse a good deal of interest; that is, had I urged the United States to take this course. That is quite incorrect. I should inform the hon. gentleman that this report arose out of a broadcast which I was recording in Toronto for the New Year, and apparently there was a newspaper reporter inside the studio. He must have been there with the knowledge and approval of somebody, and the report by the newspaper reporter was a report of an interview which is not to be released until January 1. I consider this to be very extraordinary behaviour on the part of those who may have been responsible.

In addition, the report referred to by the hon. gentleman is quite inaccurate. I made no proposal urging anything on the United States. I am asking now, as I have the right to do, for a copy of the script of the broadcast which is to be made on January 1, and I shall make any further statements on the basis of that script which will give a very different impression to that just conveyed by the hon. gentleman's question.

Mr. Andrew Brewin (Greenwood): I think perhaps I should address a supplementary question to the Secretary of State for External Affairs; it has to do with the same subject matter. In view of the statement of the Secretary General of the United Nations concerning the deepening international crisis and the escalation of the war in Viet Nam—

Mr. Speaker: Order. I cannot agree with the hon. member that this is a supplementary question. It refers to the same subject matter, but I suggest that the substance of the question asked by the Leader of the Opposition related to a statement made by the Prime Minister.

Mr. Fulton: Could I ask a related if not a supplementary question of the Prime Minister?

Inquiries of the Ministry

Mr. Speaker: Order. The hon. member can only ask a supplementary question now. I am suggesting he should not ask a related question at this point.

Mr. Fulton: It has to do with the possibility of discussions looking toward the bringing of peace to Viet Nam.

Mr. Speaker: That is not the point which was raised by the Leader of the Opposition.

Mr. Fulton: I will defer my question until later.

Mr. R. N. Thompson (Red Deer): I was about to direct a supplementary question to the Prime Minister arising out of the reply he gave to the question asked by the Leader of the Opposition. May I ask the right hon. gentleman whether this blatant transgression of honour and integrity in relation to a broadcast intended for January 1 was committed during a recording for the Canadian Broadcasting Corporation.

Mr. Pearson: No, Mr. Speaker, it was in another station which is owned by a man who also owns a newspaper.

VIET NAM—SUGGESTED TRUCE EXTENSION AND PEACE NEGOTIATIONS

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should now like to address the following question to the Secretary of State for External Affairs. In view of the statement of the Secretary General of the United Nations as to the deepening international crisis and the escalation of the conflict in Viet Nam with its tragic story of suffering and agony, can the Secretary of State for External Affairs say whether he or the Canadian government have made or will make at this season an appeal for the extension of the truce and the taking of new and meaningful steps to initiate negotiations between the parties concerned, particularly the National Liberation Front?

Hon. Paul Martin (Secretary of State for External Affairs): Yesterday in my absence the hon. member gave notice to my office of his intention to ask this question. I do not know whether I can satisfy the hon. member in all particulars, but to the extent that I can I shall endeavour to do so. The views of the Canadian government with respect to the importance we attach to the cessation of bombing as a first step toward resolving this conflict are well known.

[Mr. Fulton.]

The statement made on behalf of the government to the general assembly on September 27 remains the basis of Canadian policy. More recently, when I was in Brussels last week I had the opportunity to discuss this and certain other aspects of the problem with Secretary of State Dean Rusk. I took advantage of this meeting in Brussels to press our view as to the possibility of taking a calculated risk to break the present impasse in the interests of peace. It remains the earnest hope of the Canadian government that the forthcoming holiday season and any actions planned in relation to it may provide openings through which an approach may be made to settling the wider issues involved in these tragic hostilities.

Mr. Brewin: I am very pleased with that statement, even though the minister has not satisfied me entirely. May I ask him as a supplementary question whether he has represented to the United States government that it would be extremely difficult to arrive at fruitful negotiations unless the National Liberation Front, which is in actual control of part of south Viet Nam, was included as one of the parties?

Mr. Martin (Essex East): The President of the United States has made it clear on a number of occasions, as has his ambassador to the United Nations, Mr. Goldberg, that this is not an insurmountable problem.

Hon. Gordon Churchill (Winnipeg South Centre): My question is directed to the Secretary of State for External Affairs, and it relates to the difficulties in Viet Nam. Would the minister make representations to Hanoi and to the Viet Cong leaders requesting them to desist from using flame throwers on peaceful villagers and on women and children?

Mr. Martin (Essex East): The hon. gentleman, I am sure, will appreciate that in the position the Canadian government has taken we have acknowledged that it takes two sides to end a war. Our stand as to the cessation of bombing does not overlook the fact that the mere cessation of bombing will not end the conflict.

Mr. Churchill: May I ask a further supplementary question, and perhaps get a clear answer this time. My question refers to the use of flame throwers on peaceful villagers, women and children, by the Viet Cong or those representing Hanoi. Would the minister make representations to these people and

express Canada's concern over this barbarous practice?

Mr. Martin (Essex East): I am sure we all understand the very honourable purpose which the hon. gentleman has in putting this question, but it must be evident to him as it is to all people throughout the country that barbarism of any sort by any country does not satisfy Canadian public opinion.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to ask a further supplementary question; but first, with your permission, sir, may I extend to the Secretary of State for External Affairs my congratulations on leading the latest public opinion poll on the Liberal leadership race, the results of which I understand appear today, although it also says that 15 per cent of those who were interviewed do not like any of the candidates.

Some hon. Members: Oh, oh.

Mr. Starr: My question is, Mr. Speaker, will the Secretary of State for External Affairs not inject himself more forcibly and more actively into an attempt to bring about some form of peace in Viet Nam, particularly at this time of the year?

Mr. Martin (Essex East): I am very interested, Mr. Speaker, that my hon. friend should ask this question. He has not asked questions too often in this area, having left that to the hon. member for Winnipeg South Centre. I say to my hon. friend very seriously on this very vital question that I am sure that in putting it he has realized fully that no government has been more sincerely dedicated to bringing about peace than this government.

PUBLIC SERVICE

PENSIONS OF RETIRED CIVIL SERVANTS—REQUEST FOR RECONSIDERATION OF INCREASE REFUSAL

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, having regard to the very welcome announcement of the Minister of Veterans Affairs relating to disability pensions for veterans, may I ask the Prime Minister if he would not now remove from the government's austerity program the adjustment of pensions for retired public servants, including the armed forces and the R.C.M.P., as unanimously recommended by a joint committee of this house and the other place.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have nothing to add to what has already been said on this matter by my hon. friend the President of the Treasury Board, that we hope the time will come soon when we will be able to reconsider it.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Could this not be dealt with by a supplementary estimate in the same way that the veterans pensions are being handled?

[*Translation*]

WATER RESOURCES

PARTICIPATION IN STUDY OF DIVERSION FROM JAMES BAY

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Would he tell us if the federal government is providing financial and technical aid toward the study of the diversion of water from James bay to the great lakes, a project allegedly undertaken jointly by Quebec and Ontario?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): Mr. Speaker, we have an agreement with the Ontario government to that effect and we are now negotiating a similar agreement with the Quebec government. I for one certainly hope that these negotiations will succeed.

[*English*]

LABOUR RELATIONS

MARITIME UNION TRUSTEES—EXTENSION OF TRUSTEESHIP

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in the absence of the Minister of Labour I would direct my question to the right hon. Prime Minister. In view of the fact that the S.I.U. trusteeship terminates in ten days, and likewise in view of the fact that none of the basic problems inherent in the S.I.U. situation have been solved by the trusteeship, could the Prime Minister inform the house and the public whether the government is considering extending the trusteeship past December 31?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, a great many of the basic problems have been solved by this trusteeship,

but I shall be glad to look into my hon. friend's question.

[*Later:*]

Hon. E. D. Fulton (Kamloops): Mr. Speaker, in the absence of the Minister of Labour, I should like to ask the Prime Minister whether a decision has been reached in respect of the continuation of the maritime trusteeship, which took over the affairs of the Seafarers' International Union? I ask the question in the light of a report on a news broadcast last night that the government had reached a decision to discontinue this trusteeship.

Mr. Pearson: To my knowledge, Mr. Speaker, there has been no such decision, but I should like to look into this and perhaps make a reply tomorrow.

TRANSPORT

NEWFOUNDLAND—HANDLING OF COMMERCIAL TRUCK TRAFFIC BY FERRIES

On the orders of the day:

Mrs. Margaret Rideout (Westmorland): Mr. Speaker, my question is for the Minister of Transport. I hope, in the yuletide spirit that surrounds us today, he might be able to tell me when the Newfoundland ferries will be ready to handle commercial truck traffic on a regular basis?

Hon. Paul Hellyer (Minister of Transport): In the same warm spirit of the season, Mr. Speaker, I would like to thank the hon. member for her good wishes and also for giving me notice of this question. It is merely coincidental that I have a very happy answer for her. Full service must await the completion of the end-loading docks at North Sydney, which should be in the very near future.

Because of space and loading limitations it has been necessary to limit severely the number of trucks handled, by charging freight rates on vehicles as well as contents. However, in anticipation of the new facilities the Canadian National will institute new rates for the carriage of trucks effective January 1, at $2 per foot of length loaded or empty. There may still be only limited space available for a time, but the new rates will make possible regular commercial truck usage of the ferries.

Mr. Robert Muir (Cape Breton North and Victoria): Since the minister is in such a kind, charitable and festive mood in this holy season will he advise the house, when those ferries go into operation together with the railway ferries, what jobs will be found for the several hundred stevedores who will be laid off?

Mr. Hellyer: This is a matter of primary concern, Mr. Speaker, and one I know is under consideration by a number of my colleagues in the hope that we can ameliorate the situation and not exacerbate it; and I am sure my hon. friend would like to join us in that hope.

THE CANADIAN ECONOMY

INQUIRY AS TO GOVERNMENT MEASURES TO INCREASE PRODUCTIVITY

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the sharp decrease in freight car loadings, an accurate measure of our country's economic activity, and in real output, and the consequent increase in unemployment, I wish to ask the minister does he plan to introduce any new measures to stimulate the economy and increase productivity before he leaves Ottawa to hit the campaign trail?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I did not know that the hon. member was interested in another budget, but I can assure him I have no such intention.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—REQUEST FOR PAROLE OF FISHERMEN'S UNION OFFICIALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Solicitor General. I apologize for not sending him notice of it but I have been run off my feet with long distance phone calls, to such an extent that I nearly missed the Minister of Veterans Affairs' welcome Christmas message to veterans. There are a lot of people in Vancouver interested in this question and that is why I am asking it. Can the minister inform the house what further consideration has been given to allowing certain officials of the fishermen's union, who are now in confinement, to be paroled during the Christmas season?

Hon. L. T. Pennell (Solicitor General): Mr. Speaker, I should like to say that the hon. member's colleague, the hon. member for

New Westminster, gave notice of his intention to ask the same question. I can only say at this moment that the matter is still under study.

RESEARCH

TRANSFER TO U.S. OF HARP PROJECT AND PERSONNEL

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I direct a question to the Minister of Industry. Now that it has been definitely announced that the space research institute, otherwise known as the HARP program, with its scores of scientists and technicians, is being transferred to the United States, will the minister advise the house just what efforts were made by his department and the government to retain this very special research facility in Canada, in line with the answer he gave me on Monday?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think we will all be glad a position has now been found for the space research institute which, incidentally, separated itself from McGill University some months ago.

As those hon. members will know who read the announcement by Norwich University through the words of its president, General Hamlett, it is proposed to establish an undergraduate faculty in aerospace studies at this university. The government of Canada endeavoured to integrate the objectives of the space research institute in Canada within Canada, but as the ultimate future of the HARP program appeared to lie in the field of intercontinental ballistic missiles, or anti-I.C.B.M.'s, it was felt that neither Canadian universities nor the government of Canada would be prepared to lend massive support to an objective such as this.

Mr. Lambert: Is it not a fact that an amount of $1 million to $1½ million would have maintained this institute in Canada?

Mr. Drury: Mr. Speaker, I think the sums suggested by Dr. Bull were considerably in excess of this.

CRIMINAL CODE

REQUEST FOR EARLY INTRODUCTION OF AMENDING LEGISLATION

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, may I direct a question to the Minister of Justice. On December 1, in answer to a question by the hon. member for Charlevoix, he stated he intended to introduce the omnibus bill dealing with significant amendments to the Criminal Code very shortly. Does the minister still intend to do that this session?

[*Translation*]

Hon. P.-E. Trudeau (Minister of Justice): Mr. Speaker, if the hon. member will look at the *Votes and Proceedings* of the House of Commons for December 19, he will see that I gave notice that the house would go into committee of the whole to study the proposed resolution to amend the Criminal Code. Therefore, notice was given yesterday.

[*English*]

Hon. R. A. Bell (Carleton): Mr. Speaker, would the minister seek unanimous consent at some stage before the house takes recess to have this resolution adopted so the bill might be available to us during the Christmas season, when we will have an opportunity to study it?

Mr. Trudeau: I am certainly happy to ask the leader of the house to consult with leaders of other parties to see whether this is possible. I would be very favourable to the suggestion, and I welcome it from the hon. member.

HEALTH AND WELFARE

PROPOSAL THAT MEDICAL SCHOOLS OPERATE YEAR ROUND

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, would the Minister of National Health and Welfare be kind enough to inform the house whether some months ago he suggested to medical authorities that medical schools could well be operated the year round to help overcome the acute shortage of doctors?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I answered a similar question on this point yesterday.

Mr. Rynard: Would the minister consider taking this up with the authorities so there will be sufficient doctors to operate medicare with some semblance of efficiency?

Mr. Speaker: Order, please. It is my understanding that both questions were submitted to the minister yesterday.

Mr. Rynard: Not in that form, with all due deference.

Inquiries of the Ministry

SUGGESTED CAMPAIGN AGAINST USE OF ALCOHOL

On the orders of the day:

Mr. Jack Roxburgh (Norfolk): Mr. Speaker, I have a question for the Minister of National Health and Welfare. It has been brought to my notice that the federal health department is stepping up its anti-smoking campaign on television.

Some hon. Members: Hear, hear.

Mr. Roxburgh: Thanks for the applause; I hope you will also applaud this part of the question. I should like to ask the minister whether his department has given or is giving consideration to a similar campaign in respect of a product far more dangerous to the people of Canada than tobacco, namely alcohol?

Some hon. Members: Oh, oh.

Mr. Roxburgh: Let's hear you applaud over there.

Some hon. Members: Hear, hear.

Mr. Roxburgh: I have not had an answer from the minister. If he does not intend to answer I will have to debate this at ten o'clock after the recess.

[*Translation*]

AGRICULTURE

REQUEST FOR EMBARGO ON CATTLE IMPORTS FROM U.K.

On the orders of the day:

Hon. Théogène Ricard (Saint-Hyacinthe-Bagot): Mr. Speaker, in the absence of the Minister of Agriculture, I should like to put a question to his parliamentary secretary.

In view of the present foot-and-mouth disease epidemic in the British Isles, does the government, as a preventive measure, intend to put an embargo on the entry into Canada of animals from Great Britain?

[*English*]

Mr. Bruce S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I will bring this question to the attention of the minister. I know the hon. member will realize that we do have restrictions now on the importation of livestock from the United Kingdom.

[Mr. Rynard.]

GRAIN

REQUEST THAT RYE, FLAX AND RAPESEED BE BROUGHT UNDER BOARD

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Prime Minister, the subject of which will not cost the government any money. Is it the intention of the government to implement the recommendations of the agriculture committee presented to the house last May 8, namely to bring rye, flax and rapeseed under the operations of the Canadian Wheat Board? If so, will this be done during the coming session?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, if you do not mind me replying at the request of the Prime Minister, I should like to say this matter is under continuing study but at the moment there is no such intention.

CANADIAN CONSTITUTION

INQUIRY AS TO AGENDA FOR FORTHCOMING CONFERENCE

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister whether, in view of the imminent recess and the obvious importance of the conference to take place between his government and the governments of the provinces in February, he can as yet give the house any information about the agenda.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not think there has been any change since I last reported to the house, but I should like to look into the most recent correspondence and make a short report perhaps in the question period tomorrow.

Mr. Stanfield: Perhaps the Prime Minister could give us some indication particularly with regard to the scope of the conference.

Mr. Pearson: As my friend knows there are two specific subjects on the agenda at the moment; the question of a bill of rights, which will cover a very wide field, and the question in respect of the recent report of the bilingualism and biculturalism commission, which will be important.

I might say we have also emphasized that if any province wishes to discuss any other constitutional question we would like to put it on the agenda. I should like to look into this matter, but I do not think any special

subjects have been put forward. It is obvious that one of the things we must discuss on this wider basis is the setting up of machinery which will carry on an examination of the constitution.

Mr. Stanfield: I have one further question, Mr. Speaker. In view of the importance of the conversations that have taken place and the importance of all parties in the house being well informed on these questions, would it be appropriate for representatives of other parties in the house to be present as observers at closed sessions, if there are any at the conference?

Mr. Pearson: I would not myself see any objection to this, Mr. Speaker. This is a matter of fundamental importance to the whole country and its future, and it is my thought that the more we could all be involved in this the better it would be for the country.

TRADE

CONSIDERATION OF NORTH ATLANTIC FREE TRADE AREA

On the orders of the day:

Mr. Max Saltsman (Waterloo South): I should like to address my question to the Minister of Trade and Commerce, Mr. Speaker. In view of General de Gaulle's veto against British entry into the European common market has the British government approached Canada to propose an alternate arrangement for a north Atlantic free trade area?

Hon. Robert Winters (Minister of Trade and Commerce): No, sir, not to my knowledge.

Mr. Saltsman: Mr. Speaker, I should like to ask the minister a supplementary question. In the absence of a British request along this line, is the minister considering a Canadian initiative toward forming a north Atlantic free trade area?

Mr. Winters: No, Mr. Speaker, we are not. This has been one of the possible developments of an avenue of freer trade which has been on the minds of a number of people. Recently I had some preliminary conversations in London and elsewhere, but there was nothing definitive about them. I expect I will be seeing several ministers of the United Kingdom government later this month, and undoubtedly they will bring me up to date on the post-de Gaulle veto and anything else they may have on their minds with regard to the trading situation.

INDUSTRY

COPPER—STATEMENT ON PRICE INCREASES

On the orders of the day:

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I wonder whether I might have your permission to reply to a number of questions asked recently about the price of copper.

The strike in the United States which began in July has closed down practically all major United States copper producers. It is already apparent that some 700,000 tons of production, or approximately half the United States annual output of copper, will be lost before full production can be restored.

In the disturbed copper situation, which has continued since 1965, copper in all forms has remained under export control in Canada. As a condition of their freedom to export refinery copper the government has the assurance of the producers that realistic requirements of domestic consumers will be met. The supply situation within Canada is therefore normal.

The United States strike has had its impact on world market prices. The London metal exchange price for copper had been easing downward before July. Since then it has advanced from a level of 44 cents U.S. to exceed 60 cents U.S. in November. The New York quotation for copper, the so-called "E. and M.J. export refinery price", averaged 47.3 cents U.S. in October and 54.7 cents U.S. in November. The Canadian producer's price to domestic consumers at 51 cents Canadian is therefore lower than any other market quotation at present.

Mr. Knowles: Mr. Speaker, I hope the time taken up by this statement is not being charged against our 30-minute question period.

Mr. Winters: I might say, Mr. Speaker, that this statement was in reply to a number of questions which have been asked.

Mr. Nielsen: A supplementary question, Mr. Speaker. I wonder whether the minister would complete the reply he was making a moment ago, if it is not very much longer. I am sure we are all interested in it.

Mr. Winters: I am grateful to the hon. member, Mr. Speaker. In the situation to which I have already referred, the confused situation of world pricing, much will depend on the level of the United States producers' price established after settlement of the

strike. In view of the easing world market prior to the strike it may be reasonable to expect some decline from present levels. The probabilities, therefore, are that the present level in Canada will be temporary, but we will keep this situation under close review.

TRANSPORTATION

REPORT OF STUDIES ON RAIL LINE ABANDONMENT

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Transport. On Monday last the minister promised to report on the studies going forward with respect to railway line abandonment. Has the minister got his music on that subject with him today?

Hon. Paul Hellyer (Minister of Transport): I am afraid I do not have it with me, Mr. Speaker.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Could the minister report on this matter before the house rises for the Christmas recess?

Mr. Hellyer: I will make a special resolution to do that if at all possible, Mr. Speaker, so we can wind up the year on a happy note.

INCOME TAX

INQUIRY AS TO REQUIREMENT FOR SOCIAL SECURITY NUMBERS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the right hon. Prime Minister. Is it now government policy to make it mandatory for all Canadians to obtain social security numbers before filing this year's income tax returns, as indicated in a recent notice sent out by the Department of National Revenue?

Right Hon. L. B. Pearson (Prime Minister): I would like to look into this matter, Mr. Speaker, but my impression is that this is the law now.

EXTERNAL AFFAIRS

ENDORSATION OF PEACE APPEAL BY THE POPE

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is related to a series of questions asked earlier of the right hon. Prime Minister. Has his government given any consideration to endorsing the appeal of His Holiness the Pope with regard to the designation of New Year's day as a day of total world peace?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we would be very happy indeed to give our endorsation if it would help in this respect. I would also like to go a little further and hope we may soon reach the time when every day will be a day of peace.

• (3:40 p.m.)

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed from Tuesday, December 19, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Rinfret in the chair.

[*Translation*]

The Deputy Chairman: When the committee adjourned yesterday, clause 2 of the bill was under consideration.

[*English*]

Mr. Cantelon: Mr. Chairman, before commencing my remarks I would like to point out that as reported in yesterday's *Hansard* at the top of page 5649 I am supposed to have answered "Yes" to a comment of the hon. member for Winnipeg North Centre. There were many other comments made by hon. members at that point and it is understandable that they were not all caught by the *Hansard* reporter. I was in fact replying to a comment made by the hon. member for Acadia.

Last night when the house adjourned I was attempting to make the point that my constituency is very poorly served by television coverage and that the constant postponing of providing better coverage by means of a new C.B.C. station in Saskatoon has aroused a great deal of antagonism. The minister knows this very well, for I presented her with a petition from Unity and district which made very plain the need in that area. It was ignored, or perhaps it would be fairer to say that it did not have enough effect on the cabinet to prevail on them to approve the station.

Many representations have also been made to this effect by the hon. member for Saskatoon. Neither of us has been able to move the minister and the government to take action in this regard. However, we are still hopeful that another attitude will be taken and that the government will decide to proceed with this long delayed requirement and build the station and its Luseland satellite this coming year.

Again and again members of this house have attempted to persuade the programmers of the C.B.C. that the people disapprove of shows like "Waiting for Caroline" and "The Paper People". We—and I speak, I am sure, for the large majority of my constituents—stand strongly behind the views so ably expressed by the hon. member for Okanagan-Revelstoke, and especially his quotations of the comments of Sheila H. Kieran. It has never been my practice in this house to repeat arguments already made, so I will content myself with this expression of support of the views which the hon. member expressed.

I have received many letters from constituents, and to reinforce those views I would like to read a paragraph from one. It is typical of the many letters I have received. I received it this morning from—

The Deputy Chairman: Order. The chair has a little difficulty hearing the hon. member for Kindersley. I would ask hon. members who are in the chamber and wish to hold yuletide conversations to kindly go into the lobbies, where there are comfortable chairs and a wonderful Christmas spirit. We will now tune in to the hon. member for Kindersley.

Some hon. Members: Hear, hear.

Mr. Cantelon: Thank you, Mr. Chairman. I was saying that this letter is typical of the many I have received. I received it this morning from Primate, one of the small towns in my area, and it reads in part as follows:

> There is another matter which I would greatly appreciate your help with, is the discontinuation of the t.v. show Festival. This show is a distorted and filthy portrayal of the Canadian image. I do not believe that the filth displayed on this show to portray seductiveness is in any way justifiable. Perhaps the Canadian producers want to creat a Canadian image which is different from other nations, but the rubbish that is on this show is entirely disgusting.

Some hon. Members: Hear, hear.

Mr. Cantelon: Sometimes it is suggested that as M.P.'s we have no right or responsibility to criticize the C.B.C. Perhaps I am mistaken, but this seemed to be the tenor of the remarks of the hon. member for Burnaby-Richmond. This is an absurd suggestion. The C.B.C. is a public enterprise, established by parliament and largely financed by the taxes paid by the people. The people know this. They send us their views. We agree with them. We state them.

We do not criticize the private networks. We would not need to, even if we thought we had the right, which of course we have not. The private networks and stations have to please the people in order to live. They live on advertising revenues, which would soon disappear if the people disliked the programs. Do you ever remember seeing a program like "Waiting for Caroline" or "The Paper People" on the private networks? Of course not. The people do not want them and will not pay for them. Therefore the private networks do not show them.

But the C.B.C. gives us such programs, although they offend the sensibilities of the great mass of our people, that great mass of solid, moral, law-abiding citizens which constitutes the strength of this nation. So I believe it is our responsibility to present their feelings to the minister and to hope she will use her influence with the C.B.C. to stop such kooky shows.

Mr. Jamieson: Mr. Chairman, I should like to begin by doing something that was not done earlier, and that is to wish a happy birthday to the minister who is responsible for this bill. I want to assure her that, in the interest of giving her a birthday present, I will not impede the passage of this bill, and I hope everyone else will do the same.

However, there are a number of things that I would like to say in a general way in connection with this legislation. The first of them is to commend the minister and those who are responsible for the legislation because I think it can be said in a general way that this is the best piece of broadcasting legislation we have had. It is far better than any of its predecessors, and I think also it is a justification for the substantial amount of time and planning that went into the various factors in the consideration of the bill before it was finally brought into this chamber.

I think the minister would be the first to agree, however, that the legislation has a

great many weaknesses, and that they are almost inevitable and unavoidable for the very reason that broadcasting is unlike any other area of governmental or parliamentary activity when an attempt at control is required. I do not think it is necessary to go into detail as to why this is so, but of course we are dealing in broadcasting with creative forces, and wherever creativity is involved there are bound to be legitimate differences of opinion.

As I said in commenting at the time the resolution was introduced, any of us who are so naïve as to believe that legislation will give us good broadcasting are bound to be disappointed. There is of course another reason why legislation in the broadcasting field must of necessity have many shortcomings, and that is the fact that we are also dealing with what is essentially a means of communication. I believe that today there is general agreement, which perhaps did not exist a decade or so ago, that broadcasting is for all practical purposes an extension of the press, in the modern sense of that term. It is a news medium and a medium of information as well as one of enlightenment and entertainment, and whenever the state involves itself, albeit of necessity, in the broadcasting field, it is in fact getting itself involved in something which has an effect on public attitudes and public opinion.

So we have a situation where, despite the best efforts of legislators—and may I say as an aside that I was impressed by the non-partisan attitude of the broadcasting committee in debating this bill—any form of bill relating to broadcasting has to be inadequate on that account. I myself, perhaps based on my experience, am not as sanguine as some hon. members, perhaps including even the minister, about the efficacy of this bill to resolve the problems which now exist in Canadian broadcasting. I can understand, and perhaps share to a degree, the belief that good men in positions of importance which this bill assigns to them can do a great deal to iron out the differences and the various controversies that have developed. However, at the same time I think it must be said that there is bound to be a continuation of these controversies and difficulties, and the best will in the world will not solve all of them.

One of the things that we have tended to do in this parliament and that has been done throughout the country has been to be rather critical, and perhaps on occasion justifiably so, of those who up to now have held positions of importance either on the regulatory side or within the Canadian Broadcasting Corporation. But as one who has had some experience in working with the chairman of the Board of Broadcast Governors and with the former president of the C.B.C., I want to say that I do not know of any two more dedicated men in the country. While inevitably they became the subject of a good deal of criticism, and while inevitably there were those of some competence in broadcasting who on occasion might have taken decisions different from those taken by these gentlemen, I do want to say that I believe Mr. Alphonse Ouimet, for example, deserves a great deal of credit and has given good service to the people of Canada over a great many years. I want to wish him a well earned retirement.

I also want to say a few words of commendation, because they appear to be so rare these days, for the chairman of the Board of Broadcast Governors, and by and large for the actions of that board over the past several years since it was established. It is always easy to pick out those points in the decisions of the board on which there can be criticism and argument, but anyone who is close to broadcasting knows that for every one that has been contentious there have been dozens and indeed hundreds of decisions which have been sound and which on balance, I am sure hon. members would agree, produced the best over-all system of broadcasting of any country of comparable size and geographic and language difficulties in the world. I should like to go on record as saying that the two gentlemen to whom I have referred, and many of their associates, can take a great deal of credit for this achievement.

We are in a situation where the president of the C.B.C. has retired and where from all accounts we are to have two new top executives as soon as this legislation is passed. I am inclined to share the concern and fear of the hon. member for Burnaby-Richmond, who spoke last night about the fact that despite the undoubted talents of the two men who, it is rumoured, will be appointed to the positions, neither of them has any practical experience in the broadcasting field. I believe this will create for them quite serious difficulties, and it will certainly be vitally important that they get from those who are now in the corporation in both high and low level positions full co-operation and a willingness to help them in every way they can,

not only to administer the corporation properly but to acquire the basic knowledge which will be so essential if they are to carry out the mandate implicit in this legislation.

The fact that the two main positions within the corporation will be held by newcomers, whether or not they be in fact the gentlemen whose names have been mentioned, makes it absolutely vital in my view that there be some continuity in the higher echelons of the broadcasting regulatory authority. Having said a few moments ago that I believe Dr. Andrew Stewart has done a good job, and having heard recently of his wish, which I gather has been expressed officially, to retire soon from the position of chairman of the Board of Broadcast Governors, I urge the government to take the steps necessary to try to retain the services of Dr. Stewart at least during the transitional period. I predict that we will have an absolutely chaotic situation in Canadian broadcasting from the administrative and regulatory point of view if we suddenly find that there has been a total and complete change in the top management of the regulatory bodies.

There are a number of specific areas in this legislation to which I should like to refer, and I will do so briefly because I do not intend to make additional comments, in the interest of trying to get this legislation through quickly. But there are three or four comments I should like to make on provisions which I would like to see improved in this bill, and which I commend to the minister either for direct action by amendment in some form or other or for clarification purposes. One of these has to do with whether or not the C.B.C. per se is on all four with the wording in the legislation concerning the objectives of the national broadcasting service. Here I am referring to that portion of the legislation which states rather emphatically that if there is a conflict at any time between private interests in broadcasting and the objectives of the national broadcasting service, they must be resolved in favour of the national broadcasting service.

• (3:50 p.m.)

During the committee study on this bill I asked the minister whether or not this meant that in any argument between private and public broadcasting the C.B.C. point of view should and must automatically prevail. I suggested then, and I suggest now, that it is a mistake to believe, and some of the comments made in this chamber in recent days confirm my view, that we should automatically equate the C.B.C. as a corporation with the national broadcasting service, or even with the public interest. In other words, it is wrong to assume that the C.B.C. and the public interest are always on all fours. I would ask the minister, if it is not possible to change this wording, which I personally do not like particularly, if she would give assurance to this house that the new council, as it is now to be called, will not automatically be required under the words found in this legislation, automatically to make a decision where a conflict arises in favour of the C.B.C. I believe there are many cases where it will be perfectly easy to demonstrate that the C.B.C's case is not necessarily one that is automatically in the public interest.

I know, Mr. Chairman, that no one is more aware than the minister of the inevitable difficulties which are going to be encountered in the immediate future. These are going to mushroom over the next three or four years because of the intentions set out in this bill in terms of describing a broadcast undertaking. I am aware of course of the reason that cable television systems, for example, have been embraced within this bill. Having held conversations with certain television operators in the cable field and others, I can understand the degree of their concern over the intentions expressed here.

However, I am not so much concerned as perhaps some other members are about the immediate or direct application of this legislation to cable T.V. systems. I think that they will be able to live with it. I think some form of integration between conventional broadcasting and cable systems is the answer if we are going to direct the whole of broadcasting. The end result of any form of activity of this sort by C.A.T.V. or conventional system is, of course, indistinguishable so far as the viewer is concerned.

There is no doubt that some of the activities in the cable field could have an economically detrimental effect in so far as free television is concerned. What I feel is going to be far more important, and what raises many questions, including constitutional questions, is the developments which are going to occur in the electronics field over the next four or five years, some of which are already evident in certain parts of this country. Only a week or so ago some of the most responsible engineering authorities both in the United States and Canada seriously raised the question at a broadcast symposium as to why

we should use the spectrum at all. There is a strong and growing body of conviction that the day will come when broadcasting will cease to use the spectrum in the conventional fashion we are employing it today. In fact, in the great majority of cases, with the possible exception of satellite transmission, the whole of television and the whole of broadcasting will be carried by cable or some means which does not make any use of the air waves.

I suggest that the authorities here will have really grabbed a tiger by the tail if they attempt constantly to modify and change legislation in order to try, and it will be a futile effort, to bring all of these various forms under some form of national or governmental control. I caution those who are going to have this responsibility against this pitfall, whatever I may think or whatever other members may feel about the validity of the present definition of a broadcast undertaking.

I could go on at considerable length to express my doubts about the appeal procedure or the referral procedure that has been included in this bill with regard to matters which are originally approved by the new council and subsequently referred to the governor in council. I will merely content myself with saying that I believe this section is going to be very difficult to work, and that it is going to create all manner of problems for those who must make a decision. The council is established as the licensing authority. The decision of the council must be referred to the governor in council, and it can then be referred back to the council. If it so desires, the council can sustain its original decision. However, the governor in council can then decide not to act on the council's ruling and decision. It seems to me that this is really a shuttlecock operation which is not going to operate very satisfactorily in the long run. If there were more time, a more reasonable way, a better way to get at this problem might well be divised.

The proposal to establish a $100,000 fine for a breach of the regulation is a totally unrealistic and meaningless proposal. I suggest it ought to be removed. I suggest this for a number of reasons. In the first instance, the presence of this figure in the bill tends to suggest that broadcasters, be they public or private, have some sort of capacity for a kind of massive defiance of the public will or the laws of the land. I do not believe this is true. The minister said, in her comments before the committee, that the vast majority of breaches of regulations which have occurred have been inadvertent and, in her view, action should not have been taken at all. I, for one, cannot visualize a breach of a regulation which would in any way command this kind of economic suicide, and really that is what it would be for a broadcaster to risk this kind of fine.

[Mr. Jamieson.]

In my view, what is more ridiculous is that in the back part of this bill, which covers radio, we find the fine is something like $2,500 for a person who sends out a false s.o.s. distress signal to ships at sea. Surely there is nothing that anyone could conceive of in terms of the conventional responsibilities of broadcasters that would warrant a $100,000 fine, when a man in radio can send out false distress signals or commit other offences equally severe and face a potential fine of something like $2,500. Everyone who has appeared before our committee, everyone who has expressed an opinion on this, has agreed that the figure is meaningless. They all agree that no magistrate or judge, under any circumstances, would be liable to impose a fine anything like this figure. I suggest that it is an amount that is rather meaningless and therefore cannot be justified. It will not convince broadcasters, be they public or private, to come along in the fashion and with the encouragement that is the whole reason behind this bill.

There are only one or two other matters on which I want to comment, although I should like very much to deal with the subjects raised by the hon. member for Okanagan-Revelstoke last night. I do want to say I feel there is definite improvement in this bill, in so far as the regulation of political broadcasting is concerned. I, for one, do not think the bill goes far enough. It seems to me that in this day and age we ought to regard broadcasting as we regard any other form of mass media. We cannot control the newspapers. There would be a great howl if we attempted to do so, and properly so, in so far as political material is concerned.

I see no reason why the broadcast media should not be treated in precisely the same fashion as the other media. May I recall for the benefit of members that I was one of three on a committee, the other two being the heads of the C.B.C. and the B.B.G., who brought in precisely that kind of recommendation. If we cannot go that far, if there is not a sufficient amount of enthusiasm for my view to permit us to do this, then I think the improvements which are envisaged in this bill are very much worth while.

We have recommended that the so-called ban on political broadcasting be reduced to a period of one day rather than two. We have allowed the new authority to give more latitude in the presentation of political broadcasts which surely we all agree, whatever our political convictions, are the dullest material on the air these days. We have eliminated some of the restrictions which were in the old legislation.

One of the things, of course, which is going to be watched most closely by parliamentarians in the next little while is whether or not we are still going to have placed before us these controversies in the broadcasting field with which we are still incapable of dealing. This will depend very largely on whether the machinery established for the resolution of differences between the C.B.C. and the new Canadian radio and television council is effective. Here again, I am not convinced that any commission can resolve these. In some cases they will inevitably involve matters of principle, difficult issues. I do not envy a responsible minister, indeed I do not envy any parliamentarian sitting in this house because I say we are going to continue to have these hot potatoes placed in our laps. I think we ought to examine this matter much more carefully and be prepared, if it does not work, to bring in the necessary amendments.

• (4:00 p.m.)

The real reason that this situation exists, it seems to me, is that we are still not prepared—and this is not a matter that has been raised by only those on one side of the house; it seems to be something that is believed by numbers of members in all parties—to say what ought to be said, and that is that the Canadian radio-television council is the ultimate authority and that the C.B.C. is responsible to it. There are many instances throughout the legislation where an "out" is provided for the C.B.C., and unless my guess is very wrong and my experience taught me nothing we are going to see the Canadian Broadcasting Corporation taking advantage of these "outs" on every occasion when they can get elsewhere what they are looking for from the C.R.T.C. Therefore I say once again that the day must come when the C.B.C. is made subject to this authority in the same way as other broadcasters.

Further, Mr. Chairman, may I say we simply cannot deal with this matter in its totality until we see the financing bill which is going to follow this one, and which will set up the system under which the Canadian Broadcasting Corporation is going to be financed. When that day comes, which I presume will be early in the new year, we will have to examine carefully whether the various assignments given the corporation are justified in relation to the very large sums of public money which we will be asked to expend.

I also believe, Mr. Chairman, that there is a great need to examine the whole concept of statutory grants. Personally I believe in this principle, but I contend it will be meaningless unless the C.B.C. are told clearly and emphatically, having been given a certain amount of money, that they will have to live within their means. If there is again a loophole which enables the corporation to come back annually or whenever they feel like it to change their so-called statutory grant, then the financial control over the corporation will be no better than it is today, and conceivably could be worse. Therefore the next stage in this important debate will be when we receive the financing bill.

Having filed these reservations, Mr. Chairman—and some may regard them as serious reservations—I still say that this is a good bill. As the minister has stated, it will depend a good deal for its implementation on the wisdom, the sense of responsibility and the awareness of those who are given the important jobs on the council and in the corporation. However, I do not believe that we have yet reached the stage—and I wish we had on this eve of Christmas, 1967—when we can say that parliament can at last free itself from a role for which it is really not suited, which is acting as a day to day arbiter of public taste in the functioning of our broadcasting system.

In conclusion, Mr. Chairman, what I have been trying to say up to now is that the criticisms that we hear are valid. But let them not blind us to the fact—and anybody who has seen television and listened to radio programs in other countries I feel would have to agree—that Canada is served extremely well by its broadcasting system today. By that I mean both the corporation and the private elements. I hope that this bill will enable all of us to serve Canada even better.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I should like to make a few comments with regard to clause 2 of Bill No. C-163. My first remark

deals with subclause (b) of clause 2 which reads as follows:

(b) that the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to preserve and strengthen the cultural, political, social and economical fabric of Canada;

However, Mr. Chairman, it so happens that, in Canada, several radio and television stations are operated while the majority of their shareholders are not Canadian citizens nor Canadian residents but American citizens, which is contrary to legislation.

I should like to refer, as an illustration, to the two television stations in Quebec: channel 4 and channel 5 which are not owned by Canadian citizens. In answer to a question which I had put on the order paper, the hon. Secretary of State (Miss LaMarsh) said that those two television stations operated under an order in council. In Quebec, there are three television stations, the C.B.C. and two private stations owned by American interests.

Mr. Chairman, I think that the hon. Secretary of State will admit that it is an abnormal and unacceptable situation. The present legislation, even before it was amended, specifies that our radio and television broadcasting stations must be owned by Canadian citizens.

In subclause (b) of clause 2 it is clearly stated, and I quote again:

(b) that the Canadian broadcasting system should be effectively owned and controlled by Canadians—

In Quebec, the only two private television stations are owned by American subjects. The result is that those two television stations present regularly news commentaries, three times a day on the French station and three times a day on the English station, and they are identical commentaries, translated back into English, since those two stations are owned by the same American company. When comments are made on a decision taken by the federal government or by the Quebec government or by a municipality, it is always the American point of view which is put forward during the news commentaries of those two Quebec stations, either the English or the French station. It is always the American point of view on, or reaction to, the events occurring in Canada and Quebecers, as a result, are overwhelmed by American reactions.

I think this is not at all normal, since an attempt is being made to have Quebecers think or figure according to what the Americans think, because these editorials of the

two Quebec television stations are prepared according to American ideas or reactions since such stations belong to Americans.

There is a young squirt who reads these editorials, possibly with some assurance, but everyone knows that he is not writing them; nevertheless, they are regularly given over the Quebec television, either on the French station or on the English station.

So, Mr. Chairman, I believe that the former legislation stated that television and radio stations in Canada "should belong to Canadians." The new legislation restates it, but the cabinet passes orders in council, allowing the operation of the two Quebec stations even though they are owned by American citizens. I wonder if the Secretary of State accepts this situation. I believe, in the circumstances, that subclause (b) should be amended so that it will no longer provide that:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians—

—but read as follows:

—the Canadian broadcasting system shall be effectively owned and controlled by Canadians.

• (4:10 p.m.)

No longer "should", because that is a statement of good intentions achieving nothing. What we need is to write the principle firmly and precisely in the legislation thus:

The Canadian broadcasting system shall be effectively owned and controlled by Canadians—

Further, the minister should grant a maximum delay of a few months to require these American concerns to sell the shares they own in these two Quebec television stations. I believe this is completely normal since the minister, when drafting her bill, admits that "the Canadian broadcasting system should be effectively owned by Canadians." Why not then clarify the principle and include it in the legislation by providing that "the Canadian broadcasting system shall be effectively owned and controlled by Canadians"?

Then, the good intentions of the minister would be written in the legislation and the owners of such companies would have a fixed period to sell their shares on the Canadian market. It would be easier as barely two or three years ago—three years I think—when the B.B.G. granted a licence for the operation of a C.B.C. television station in Quebec city, some Quebecers had applied for a licence to operate a private station there. Therefore, since some Quebecers are interested in private television in Quebec city, why

leave it under the control of American citizens?

The fact that the minister mentioned subclause 2 shows her good intentions; but this does not go far enough, and I feel the bill should be much more specific. That is why I intend to move an amendment to clause 2(b). Therefore, I move:

That subclause 2 (b) be amended by substituting, in line 11, the word "shall" for the word "should".

so that the amended paragraph would read as follows:

—the Canadian broadcasting system shall be effectively owned and controlled by Canadians so as to preserve and strengthen the cultural, political, social and economic fabric of Canada;

Therefore, I move that amendment and I would ask the Secretary of State to accept it, since her views and good intentions are already known with regard to the Canadian ownership of our radio and television stations.

I submit that amendment, trusting that the Secretary of State will readily accept it. At the same time, she could perhaps tell us, indeed assure us, that her department will see to it that, as soon as possible private radio and television stations controlled by foreigners are handed over to Quebec interests, and that those foreigners sell their shares on the Canadian market.

The Deputy Chairman: Order. For the guidance of the members of the committee, I shall read the amendment proposed by the hon. member for Lapointe:

That subclause 2 (b) be amended by substituting, in line 11, the word "shall" for the word "should".

[*English*]

Mr. Nasserden: Mr. Chairman, I wish to make some general remarks about the C.B.C. and broadcasting in Canada. We have had a broadcasting system in Canada for about 30 years now and many who look closely at that system say that it has failed to carry out its initial and primary purposes. On the other hand, when some of us realize that certain milestones in broadcasting have been passed, we are satisfied with some progress that has been made so far.

I think every member of parliament receives many letters criticizing the extremes of programming content of certain C.B.C. programs. Some of the feature programs particularly, which are said to reflect the changes taking place in our society, have been found objectionable by some. In our society the population has been moving from urban to rural areas. Those who live in rural Saskatchewan, as well as those who live in the urban areas of that province, find it hard to believe that some C.B.C. programs reflect the realities of Canadian life today.

The members of this parliament and of future parliaments will be charged with the responsibility of directing the broad stream of broadcasting in our nation in the years ahead. Since we endow producers and directors of programs with great responsibilities, they should be Canadian citizens, especially when they work within the C.B.C. I do not know how many of them are not Canadians but I have been told that in the administrative hierarchy there are some who cannot claim Canadian citizenship. I believe that a corporation like the C.B.C. or any crown corporation which is involved with the objectives that are set forth in this legislation, should be staffed at senior levels with citizens of this country. Those citizens should have a true interest in pursuing objectives that are national, and peculiar to this nation.

I feel that the way we allocate our broadcasting stations in Canada enables some to obtain greater privileges than others. Some of those privileges are much more valuable than we thought they would be a few short years ago. Those stations which have been established should be more strictly supervised than they have been. I say that because I can think of one or two staions which have almost become a law unto themselves. They wield a tremendous influence in certain areas of the country. The course they pursue with regard to national objectives is questionable.

I believe, sir, that Canada has room for more television stations than she has presently; primarily, I am speaking of privately owned television stations. Stations should not be given a monopoly in the area they serve. I recognize that new stations must establish themselves if they are to become a strong factor in the communications media of an area. Yet I believe that other stations should be allowed in areas which are already served by an existing station. I think that those who grant licences ought to be freer with their allocations than they have been in the past. Competition will not hurt our broadcasters; it may raise the over-all tone of broadcasting in this country.

When I said that producers and directors ought to be Canadian citizens, I did not mean necessarily that the artists who appear on the C.B.C. must be Canadians. Obviously, artists from other countries are welcome to take

part in some programs. But the top administrators and the more important producers and directors of the C.B.C. ought to be Canadians. I must impress on the minister the necessity of making certain that Canadians have a voice in what programs are to be broadcast in this country.

The hon. members for Saskatoon and Kindersley have asked for television stations to be established in their areas. The hon. member for Saskatoon especially, for the past year or two, has asked for a television station to be established in Saskatoon. Demands have also been made for a French television station to be set up on the prairies, though, as I understand, the advent of such a station is some way off. Past legislation has decreed that there be English and French networks in Canada, but as I look at Saskatoon I cannot see that a French television station in that area has any prospect, at the present time, of paying its way. Where a limited number of French speaking people live on the prairies, radio or television stations in the area might carry programs in English and French. This would be possible if there were other stations in the field in these areas; their presence might go a long way toward ending some of the difficulties we have encountered. I cannot but feel that some action is needed in Saskatoon either to provide a C.B.C. outlet or to allow private individuals to provide one. If Canada does not intend to spend any more money to set up television stations, then surely we should consider allowing others to provide them if they are willing to make the necessary funds available.

• (4:20 p.m.)

This leads one to the whole question of whether the C.B.C. should be in the station business at all. I realize it is a little late to bring up this point now, nevertheless, when one considers the amount of money involved in setting up a station and the lucrative possibilities which such stations present today we are bound to reflect on the fact that we have seen nothing but deficits in the C.B.C. accounts year after year, and that the forecast for the future is unchanged. The prospect is surely one which encourages us to consider whether we are justified in providing funds for the setting up of stations by the C.B.C., possibly at the expense of assistance which might develop the talents of Canadian artists and give them a real incentive.

To my mind, the development of Canadian talent is one of the great problems facing television in this country. I think the failure to develop our own talent adequately is one of the reasons we have so many poor programs from the C.B.C. today. We have asked the corporation to seek out Canadian talent. In many instances its efforts have been found lacking, and as a result some of the programs have been vulgar, lacking in taste, even shocking to a great many people. It seems that programs of this kind were the only ones which could be relied upon to draw attention, at C.B.C. headquarters. This forces us to ask what qualifications are set by officials in senior positions when they determine who are to produce and direct the programs which go on the air.

I do not believe any easy solution will be found. We still have a long way to go. The federal government, together with provincial governments should devote more attention to providing incentives for the development of real artistry—the creation of a pool upon which the C.B.C. could draw. It is my belief that as a result of the way in which the two networks have been set up in Canada there has been an overwhelming inclination to draw talent from the corporation's centres in Montreal and Toronto.

Talent which might be developed in the outlying parts of Canada has been overlooked to some degree, though I am firmly of the opinion that talent exists in many parts of this country outside Toronto, Montreal or Ottawa. I do concede that it needs encouragement and development. I would go further and say there is a useful field of work open here for some agency of the government, some segment of the C.B.C. itself.

Before going further I wish to congratulate the minister on her birthday today—we could make that unanimous, all round the house.

Some hon. Members: Hear, hear.

Mr. Nasserden: We hope the broadcasting bill will set a new standard of broadcasting in this country, that it will serve the purpose for which it was originally designed, that is, to build a stronger Canada, and that it will lead to the development of talent in this country, giving employment to Canadian artists so that they will stay at home, rather than go abroad. The fact is that many Canadian performers have been obliged to go abroad. The C.B.C. could not discover them, but somebody else did. This lends weight to the argument I was making earlier—that there should be some section responsible for searching out and encouraging the talent we have here in Canada.

Mr. Barnett: I have been listening with interest to the speeches which have been made during this discussion. I was particularly interested in what was said by the hon. member for Burin-Burgeo, because of his background in the medium now under consideration. I do not intend to comment on his speech in any detail, but I will say I agree with him when he says that the officials who have just retired or who are about to retire from the corporation and give up their responsibilities in this field certainly served as public servants to the best of their ability during a tumultuous period in the history of broadcasting. To this extent we owe them our appreciation for their efforts.

I was also interested in the speech made last night by the hon. member for Okanagan-Revelstoke. I was surprised he appeared to be so diffident about raising the question he dealt with at that time. Perhaps it was only the lateness of the hour which caused him to express himself as he did when he told us he intended to discuss the undiscussable, namely the question of good taste in broadcasting. I have never felt that this is a subject about which one should be inhibited in any way when speaking, and I should like to make reference to the hon. member's proposal for dealing with this problem. Let me refer to his remarks as they appear at page 5648 of yesterday's *Hansard*, where he had this to say:

> I would suggest that in the final stage of considering the legislation we should give serious thought to amendments which will set down a little more firmly guide lines for the Canadian radio television council not only for C.B.C. broadcasting but also in the private area, because I think it is important for us not to abdicate this great responsibility.

I am not quarrelling with the objective the hon. member had in mind, nor am I quarrelling with his remarks critical of certain programs. Indeed, I shall myself have some critical things to say about some programs before I conclude. However, I do not subscribe to his idea that one can legislate good taste. As far as the bill is concerned, the guide lines laid down in it appear to be fair and sensible. I believe the question of good taste in broadcasting is something which has to be left in the hands of those who operate the broadcasting system, subject to the reaction of the Canadian people and in particular of this parliament.

• (4:30 p.m.)

This brings me to a point I would like to raise for the consideration of the committee. It is that in this bill we have not in any way touched on a very important aspect of this whole matter, the relationship to parliament of the broadcasting system and the Canadian radio television council. Often over the years that I have been a member of this house I have heard the idea expressed that the broadcasting system and its operation were responsible to parliament, and not to the government. While there has been lipservice paid to this idea, it really seems to me that this question of the relationship to parliament has never been defined, has never really been dealt with in a way that created a satisfactory situation.

In dealing with this piece of legislation which, as the hon. member for Burin-Burgeo said, most members consider to be a forward step, I think we should give some attention to this aspect of the matter. I for one have never felt that the arrangement, whereby one of the ministers of the crown acts as spokesman or go-between betwixt parliament and the Board of Broadcast Governors and the C.B.C., has been a satisfactory one. The desultory questioning on orders of the day and the assurances given by the responsible minister that he or she would bring an hon. member's remarks to the attention of the president of the C.B.C., or what-have-you, have been so unsatisfactory that in some ways they have been responsible for a lot of the general discontent with the operation of the broadcasting system in recent years.

Having said that, Mr. Chairman, I would like to add that in my view the various ministers who had that responsibility during the time I have been a member of the house, including the days when the late Dr. McCann was minister of national revenue and played that role, and when the late former member for Digby-Annapolis-Kings, who was also minister of national revenue, played that role, all were most meticulous in trying to maintain the attitude that the broadcasting system was not the tool of the government but was responsible to parliament. The present minister has very meticulously given the same kind of response when members of this parliament have put questions to her.

There has been some reference to some of the present minister's comments, as an individual member or citizen, with respect to certain aspects of the management of broadcasting. Indeed there has been some furore about her comments. I would remind the committee that this is not a unique situation. I recall that when a number of years ago the

Right Hon. Louis St. Laurent led the government an occasion arose when there was an extended debate in the house about whether he, the prime minister, could make a representation to the president of the C.B.C. as a private citizen.

It is for this reason, as well as taking into consideration the suggestion put forward by the hon. member for Okanagan-Revelstoke, that we should seek to legislate in more detail the matter of programming, in relation to whether it is in good taste or bad taste, whether it is poor programming or good programming, that I wish to put forward the view that we in this chamber ought to be giving some serious thought to another way in which we could express our views on the question of broadcasting.

If the concept of the responsibility of parliament as an institution for the operation of broadcasting, rather than of the government, is to have any real meaning, then this national forum should set up some kind of machinery or mechanism of its own through which, from time to time, members could channel the views of their constituents, as well as their own views on the nature of various programs. When the hon. member for Kindersley was speaking he tried to imply that the hon. member for Burnaby-Richmond suggested we did not have any right to criticize C.B.C. programming. That was not my understanding of the remarks made by the hon. member for Burnaby-Richmond. But what did strike me, if I heard it correctly, was the comment by the hon. member for Kindersley, that there was some distinction between our right as members of parliament to criticize C.B.C. programming and to criticize programming carried by privately owned stations or network.

Mr. Prittie: The Prime Minister himself complained today.

Mr. Barnett: Yes, today the Prime Minister complained about a broadcasting matter which, from the context of his remarks, related to a privately owned operation. But this leads me to suggest that the members of the official opposition should make up their minds on whether they support this legislation or not. I would draw the attention of the hon. member for Kindersley and of the hon. member for Rosthern to the very beginning of the clause now under consideration, which sets out, as it has been so often set out in the past, that Canadian broadcasting constitutes a single system and that all persons licensed to carry on broadcasting have a responsibility for programs they broadcast, but also have the right to freedom of expression.

I would like to put that on all fours with the right of members of parliament to freedom of expression, taking literally the text of this bill which sets up the broadcasting system as a single system. It is on that basis that we should consider our role with respect to what we think programming should be, and with respect to the other activities of broadcasters.

Instead of trying to set out guide lines in detail concerning what is good taste and poor taste, as suggested by the hon. member for Okanagan-Revelstoke, I think we ought to consider what role we might play in this area, through proper discussion from time to time of broadcasting and its content. I hope to make some critical comments about a certain program if time permits, Mr. Chairman, but I do not feel this is a satisfactory way to do so. While I am trying to make my comments relevant to the bill, certainly as relevant as those of other hon. members have been, nevertheless I would point out that each time a broadcasting bill or financial proposal relating to broadcasting comes before us, we tend to use it as an occasion to criticize programming. This has resulted in rather desultory and undirected discussion about the content of programming.

I think we should consider taking a new approach to the question of the responsibility of parliament for broadcasting. Instead of having a minister as our spokesman or go-between in matters concerning the new Canadian radio-television council, I think we might have Mr. Speaker perform this role, as our spokesman to the C.B.C. and the regulatory body.

• (4:40 p.m.)

What has given rise to this thought in my mind was the procedure adopted in relation to another aspect of life in this country. I am referring to the procedure laid down in the bill which set up the redistribution commissions. As hon. members will recall, there is provision under the rules for debates on what the redistribution commissions have done. A copy of such debates is sent to the commissions by the Speaker of the house, as an official expression of the views of the members of the house. There is also provision under which the house can give its expression of opinion by way of a resolution. It does seem to me consideration might be

given to something, perhaps not exactly parallel but somewhat similar to that, in connection with the matter of broadcasting. This could be done without any direct relationship to the bill. It could be done by an arrangment under our rules whereby from time to time there could be a motion "that this house express its opinion to the C.B.C." or the Canadian council on radio and television. This motion would be debatable and amendable. We could then have a discussion which could be centered on the matter of programming, or the general policy in respect of the extension of broadcast facilities into coloured television or to areas such as referred to by the hon. member for Kindersley, or to that area of the country from which I come. Such a debate would provide proper focus for the expression of the views of members of this house and, through them, the people of Canada.

It seems to me there is a helpless feeling on the part of many Canadians about this business of merely being able to write to their member, who asks a question of the minister, who in turn then says she will draw the remarks to the attention of the proper official, whoever he may be. They can simply write to the C.B.C. and get a reply from the president on matters of programming. I am not suggesting there is no place for this type of comment on programming, but there are times when certain issues develop which should be focused in this house. If there is going to be any real meaning to the concept of the responsibility of parliament for the broadcasting system, some kind of focus of that sort is necessary, and this is something we should do after we have dealt with this bill.

Contingent upon that I think is an acceptance on the part of members of this house of the principles of the broadcasting system as they are set out in this bill. If there have been suggestions that people like myself and the hon. member for Burnaby-Richmond have been a little hesitant in our criticism from time to time of the C.B.C., it is perhaps because we have believed as strongly as any in the idea and value of a public broadcasting system. We have been concerned over the years with attempts by members of the Conservative party, although not exclusively, to subvert the concept of public broadcasting, and it seems to me there was an example of that sort of thing in the remarks made last night by the hon. member for Oxford. The same sort of criticism has been expressed much more strongly during previous sessions by hon. members in that part of the house, but I think this is dying out. I hope there will be a recognition of the spirit and the realities set forth in this bill.

The hon. member for Rosthern questioned whether the C.B.C. should operate television stations. His remarks were the echo of something expressed much more strongly during previous sessions by members sitting in that part of the house. It seems to me that if we could bring this out in the open, as a right of parliamentarians during a proper debate, and in some way convey our criticisms of programming to the responsible authorities it might be possible to establish a much more satisfactory relationship between ourselves and the broadcast authorities than obviously has existed in recent years.

Having said that, I must add my share of blood-letting by drawing attention to the sort of thing which I hope will come to an end with the adoption of this bill. I have always felt that if one is going to criticize he should do so specifically and in relation to particular programs or actions. The one I should like to draw to the attention of the house is a program which was of great concern to some of my constituents. It was called "Young in a Small Town", which was carried on "Camera West" August 20 last. This program focused on one of the communities in my constituency. Certainly most of the constituents of that area considered it to be a very unfair portrayal of the situation as it exists.

Let me say first of all that the *C.B.C. Times,* about which some others have spoken, in describing this program displayed a very cheap and sloppy piece of journalese when, in referring to the Albernis on Vancouver island, it said:

> Huge complexes of pulp mills, shingle mills, saw mills, and plywood manufacturing plants dominate the towns with their soaring smoking chimneys and the cacophony of machines—

This is just a sloppy and inaccurate piece of writing. Perhaps it would be more accurate if it had referred to a huge complex, because there is one pulp mill, one shingle mill, two saw mills and one plywood plant. Later on it refers to the young people with big cars who roar around the country, and it mentions that the population of this area is approximately 20,000. At another place in this article it states:

> Week ends is the time for "blowin' up the gas" and great hordes of these youngsters head for the larger cities of Nanaimo and Victoria on the island or Vancouver on the mainland—

I do not know what the estimate of the producer or the writer of this article would be in respect of great hordes, but it certainly sounds like this means the 20,000 people living in the Albernis roar out of the towns on week ends. The writer might have been more accurate if he had said 50 or 100,—and I have travelled that highway often myself.

I wrote to the president of the C.B.C. about this program. I had to admit that I had not seen it myself but had heard a lot about it from many people. When I became aware of the widespread and official concern of the community, which was expressed by the mayor and the city council as well, to the regional director of the C.B.C., I made a point of carrying out a rather broad inquiry. I said in my letter:

> I may say that I did not myself actually view this program, but have had it discussed with me by a great many people who did see it. If I may make my own observation as a result of these discussions, there would appear to be a consensus that the social situation outlined does not exist as an element of the life of the Alberni community and also of many others in Canada today. The main brunt of the criticism appears to have arisen from the fact that it was presented in documentary form, focusing on a particular community and, therefore, in presenting one narrow facet of life in this community on a nationwide hookup, thereby created a very distorted image of what the community actually is.

This was underlined by the kind of blurbs that were written about the program in the *C.B.C. Times*.

I then said in my letter:

> Had the social situation been presented in the form of a play or in some way which did not pinpoint it on a particular community there would, I believe, have been much less valid grounds for objection to the program.

In the reply I received to that letter the comment about the program was completely ignored, and I was told:

> • (4:50 p.m.)
>
> As you have so aptly observed, the social situation outlined is common to virtually all parts of North America. This is pointed out in the letter which Mr. Caple sent to the mayors of Alberni and Port Alberni—

With regard to the investigation into the program, in my view either the producer of the program completely brainwashed the regional director of the C.B.C., and through him the president, or they are simply refusing to recognize the incorrect approach taken in the program by pinpointing a particular community in a way that made it appear that the community was involved to a greater extent than any other and completely distorting the situation as far as that area is concerned.

As one of the aldermen of the cities pointed out, the impact of this program was such that someone in Nova Scotia who heard that a friend of his was moving from Alberni to another community wrote saying he was so glad his friend was getting out of this horrible place. This is the kind of distortion to which the people of the Albernis were objecting. They were not denying the existence of a social situation; they were objecting to the form of the program which was carried on a national hook-up and gave the impression that this was the main characteristic of the community. If the community had not been mentioned by name, and the program had televised scenes of the area and used them as a documentary, I do not think there would have been so much ground for criticism.

The latest comment on the matter, as a result of further protest and the suggestion that there be a fresh look at the matter, is that the program was not staged with a view to distorting the situation. In this connection I should like to quote part of an article which appeared in the Nanaimo *Free Press* of December 15. The article points out that Mr. Caple said that none of the scenes were staged or edited with intent on the part of the C.B.C. to reflect adversely on youth generally in the community. Perhaps the intent was not there, but the fact is that the program did reflect adversely on the community and its youth. The fact is that scenes were staged. There are a number of people in the community who know they were staged and any attempt on the part of the producer, Mr. Caple, or anybody else to deny it is not very convincing.

The people producing the program got two or three high school students, who happened to be driving fairly nice cars, owned by their parents, to go round and round the school in order to create the impression that all the students of the high school were driving this kind of car. The producers provided beer to young people on the beach on the west coast so they could portray them drinking beer on the beach. In view of these facts my constituents cannot be convinced that the program was not staged.

The situation that was portrayed is one that exists; nobody in the community is quarrelling with that. They are quarrelling with the fact that the whole situation was enlarged and distorted to create the impression across the country that this was the

main characteristic of the community. This is what the people are objecting to, and it is what I am now objecting to on their behalf. I have made my point—

The Assistant Deputy Chairman: Order.

Mr. Barnett: Perhaps, Mr. Chairman, I may be allowed to conclude with one sentence. While I have expressed the views—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. gentleman but the time allotted to him has expired, unless the committee gives unanimous consent for the hon. gentleman to continue.

Mr. McCleave: Let him finish his sentence.

The Assistant Deputy Chairman: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Barnett: I conclude by saying that having made these comments I feel, as I said earlier, that this is an unsatisfactory way of having to do it and I hope the members of the house will give consideration to my earlier remarks about a different way of dealing with this sort of situation.

Mr. Horner (Acadia): Mr. Chairman, I would not like this bill to pass without making some comments and putting forward my hopes and aspirations with regard to what can be done under the C.B.C. or under the proposed Canadian radio commission which will, if the bill passes, be the governing body in respect of communications in Canada. In my opinion clause 2 of the bill legalizes and condones what one might call the brainwashing of the Canadian public. I think this is a dangerous thing. As the previous speaker said, you cannot legislate taste. It is dangerous, also, to spell out exactly what you want broadcasters to do.

As the hon. member for Burin-Burgeo said, this bill will provide many loopholes for the C.B.C. to use. I agree with him wholeheartedly. Clause 2 provides that the programming provided by the Canadian broadcasting system should provide reasonable opportunity for the expression of conflicting views on matters of public controversy. Nowhere does the bill spell out that the Canadian broadcasting system should provide reasonable opportunity for the expression of neutral views, non-partisan views, or even that both sides of the conflict must be portrayed. It just says that it is all right for the C.B.C. to project across Canada matters of public controversy and conflicting views.

When you study the bill clause by clause you wonder what we are really trying to do here. Are we trying to regulate broadcasting? Are we trying to define what we want Canadians to listen to and see? Are we, on the other hand, creating for the C.B.C. an enormous loophole by means of which they can avoid any real responsibility?

When introducing this bill the minister said that she and previous ministers had experienced a great deal of difficulty in providing any regulatory authority in respect of broadcasting in Canada. This bill will certainly not enhance the minister's position in this regard.

Mr. Chairman, may I call it five o'clock?

Progress reported.

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

• (5:00 p.m.)

RESEARCH

STUDY BY STANDING COMMITTEE OF CARE, UTILIZATION AND TREATMENT OF ANIMALS

Mr. Harold E. Winch (Vancouver East) moved:

That, in the opinion of this house, the following matters should be referred to the standing committee on agriculture, forestry and rural development with the authority to call for persons and papers and report its deliberations with recommendations:

1. The use of animals for medical research purposes, their care and utilization, and procedures for government licensing and inspection of, and control over, all premises using animals for laboratory research or medical training;

2. The treatment of animals as pets and, as far as federal jurisdiction permits, recommendations regarding legislation providing penalties for those abusing animals, and any persons making a business of raising or catching animals for sale to research individuals or centres and not keeping the same in a humane manner;

3. The most humane method of trapping furbearing animals, and consideration as to whether the Canadian seal hunt should, and could on a practicable basis be discontinued; and

4. Consideration of the entire Canadian picture relative to the maintenance of fish, bird and animal wildlife and the regulations required for conservation.

He said: Mr. Speaker, the remarks which I intend to make are based on voluminous files which are the result of one year's intense inquiries and research on the subject matter of this motion, inquiries with respect to which were sent to various countries of the world. Hon. members will have noted that

this motion has been on the order paper since May 9, and therefore there has been plenty of time for the purport and the implication of its wording to be studied and understood. I sincerely hope that all hon. members who have read the motion will note that it is not dogmatic in its terms and that it makes no specific recommendation. It outlines serious matters which, in my estimation, are not only worthy of, but demands, the attention of the house and the study, investigation, hearing of representations and recommendations from a select standing committee of the house.

Perhaps there is only one aspect of the motion on which hon. members might wish an explanation, that is the suggestion that the four points contained in it should be referred to the standing committee on agriculture. The reason for this is that on making inquiries and investigations throughout a number of countries in the world I have found that these matters were being always referred for study either to a royal commission or to the agricultural committee of the legislative body of the country, and that when action was taken by the legislative body, the enforcement of regulation and the inspection of the licensing was undertaken by that country's department of agriculture. It is because I have discovered this to be the procedure in other countries of the world, and particularly the United States and the United Kingdom, that I suggested reference of the subject matter of this motion to the select standing committee on agriculture.

First of all I should like to deal briefly with the fourth point in the motion, which is the consideration of the entire Canadian picture relative to the maintenance of fish, bird and animal wildlife and the regulations required for conservation. I am certain that every one in the house is interested in conservation, but wishful thinking, or pious or sanctimonious utterances are not sufficient. We need action, and that action must be taken soon. As a result of research I have discovered that there has been a brutal massacre of wildlife on this continent. In the past 150 years 60 species of birds and animals have been exterminated by the greedy and the ignorant. Experts in the United States and Canada have informed me that about 80 other species of birds and animals are on the danger list and face the same fate. Surely I need only mention what is happening to our big horn sheep, our grizzlies and our polar bears.

Last year we heard about so-called sportsmen using helicopters to locate polar bears and grizzlies and shooting them from the plane, with the result, the experts say, that these species are dangerously near extinction. So the fact some species of birds and animals are being exterminated is sufficient reason to refer this important matter to the committee for study.

I want to say immediately that I realize that action is required on a federal, provincial and, in some aspects, on an international basis. However, someone must give the lead, and I respectfully ask hon. members this question: Who would be better qualified to give the lead than the House of Commons of Canada? This is the reason for point 4 of the motion.

In the past two years in particular a great deal has been said about seal hunting by the Minister of Fisheries (Mr. Robichaud), and we accepted what he had to say. However, experts in the field who have witnessed seal hunts have criticised the way in which they have been carried out. So much has been said and publicised concerning seal hunts that this matter is now of world concern and interest.

I hope all hon. members have noticed that I have not been dogmatic on the subject and have not even taken sides on it. I have been careful not to do this because of the importance of the humane treatment and conservation of animals, the necessity for studying the most humane method of trapping fur-bearing animals, and consideration as to whether the Canadian seal hunt should, and could, on a practicable basis be discontinued. We will not get a satisfactory answer to questions through asking questions on orders of the day. This should be a matter of study and representation. First let the truth come out, and then let the all-party committee on agriculture make its recommendations on the basis of evidence.

This leads me to points 1 and 2 in my motion which concern the treatment of animals as pets, and their use for medical research. This is without doubt a most controversial matter and one which should be considered without bias and without prejudice. We must recognize the feelings of animals when we consider their use in medical research in an effort to find methods of helping human beings. We have no legislation that governs this in Canada. Many of us, I think all, if they knew the facts, are vitally concerned.

• (5:10 p.m.)

May I introduce what I have to say on this phase of the subject, Mr. Speaker, by quoting

the first paragraph of a submission made to a previous minister of justice. The heading of the submission is "The Protection of Animals Used in Scientific Research," and the paragraph reads:

> Medical research has made great strides in recent years, and one of the contributing factors has been the possibility of testing new techniques and materials on animals prior to applying them to human patients. Many people have accepted the use of animals for this purpose in the belief that man is justified in inflicting some suffering on animals if it leads to permanent relief of human suffering. They have assumed, however, that no more pain would be inflicted than was absolutely necessary for the purpose and that the animals would be given all the care and attention they require. Unfortunately, there is overwhelming evidence that this is not always the case.

In these massive files on my desk, Mr. Speaker, I have reports of investigations by the Congress of the United States as well as a report of the departmental committee on experiments with animals, headed by Sir Sidney Littlewood in the United Kingdom. This report was filed in April of 1965. I have magazines, books and reports from many countries of the world which contain material that is absolutely horrifying. We see here irrefutable proof of the unnecessary pain inflicted in the name of human beings. Evidence was given before a committee of the Congress of the United States about three years ago concerning dogs being kept in small cages without exercise for up to seven years; about intermittent electric shock being applied to dogs over a period of six months in order to produce a state of chronic fear. Evidence was given before the royal commission of the crushing of the legs of over 400 dogs in a press, without any anaesthetic from the time of this procedure until death some 24 hours later.

We read that dognapping reached such proportions in the United States that on March 25 last year the house agricultural committee approved legislation aimed at curtailing the activities of dognappers who sell pets to research centres. The bill gives the department of agriculture in the United States licensing powers over persons who sell cats and dogs for research purposes, and over the institutions which buy them. We hear people say that this cannot happen in Canada. However, we have no licensing control; we have no authority and no knowledge of what goes on. According to evidence given to the committee of the United States Congress, over 100 million animals a year are used for medical and scientific purposes in that country alone. In the light of all these facts, I say this is a matter for investigation by a committee of this House of Commons.

We say it can't happen here, and yet I read this from one of our newspapers:

> Officials from the Montreal Society for the Prevention of Cruelty to Animals raided a dog kennel Friday near Granby, 40 miles east of Montreal, and brought back 60 dogs only seven of which were expected to live—
>
> The dogs, suffering from hunger, distemper, mange and cuts, were brought to Montreal in three S.P.C.A. ambulances along with two dozen rabbits and chickens.

We read also that 13 year old high school students are using animals for experimental diagnostic purposes. This is right in the record. We have no provision whatever for dealing with the matter. I know there may be conflicting jurisdiction, provincial, federal and international, but someone must take the lead. I can think of no better source of leadership than this House of Commons referring the study of this matter to a committee. The committee could study the use of animals in medical research in our country, study whether or not there should be licensing and inspection by federal or provincial authorities, not only of those who catch or raise these animals for research but also of the universities or laboratories that use them.

We have the right, sir, because the animals feel pain, to have an interest and concern in every phase of animal protection, animal use and the conservation of our wildlife. In this way, members may receive the benefit of representations made to the committee, receive knowledge of the use of animals and what we can possibly do about it.

I am not going to speak any longer, except to say this: In the past two or three weeks I and other members interested in this matter have done our best to obtain the opinions of other members. We have yet to find one who does not agree that this is a matter worthy of study or worthy of reference to a committee. I conclude my remarks therefore in the hope that since the motion is not dogmatic, but merely asks for a study, that it will be accepted by all members.

• (5:20 p.m.)

Mr. Cowan: Mr. Speaker, would the hon member answer a question, or is his time up?

Some hon. Members: Go ahead.

Mr. Cowan: I should like to adress a question to the hon. member for Vancouver East. His notice of motion makes reference to the method of trapping furbearing animals and asks that consideration be given as to

whether the Canadian seal hunt should and could on a practicable basis be discontinued. I should like to ask the hon. member whether he feels that the hunt for defective human foetuses and the murder of babies should be abolished in the same way as the mere hunting for baby seals?

Mr. Winch: Mr. Speaker, if the question were applicable I would answer it, but as it is not I will not do so.

Mr. Andrew Chatwood (Grand Falls-White Bay-Labrador): Mr. Speaker, I must admit that having given the resolution moved by the hon. member for Vancouver East (Mr. Winch) quite a bit of consideration before rising to speak to it, I was impressed by the comprehensive area covered by the hon. member. As he himself mentioned, I think all members are much concerned with the treatment of animals and also with the future wildlife of our country.

Along with this, Mr. Speaker, we have very deep and real concern about assuring the people of our country of the opportunity to live and continue to live a good life. When the hon. member referred to the vast and extensive file that he has on record, he reminded me of the fable of Pandora's box and I kept wondering just what was inside his file. I was hoping that perhaps we were going to be allowed to view some of the material he has in this heavy file. However, if the file were opened perhaps, like Pandora's box, it might cause more harm than good.

I did hope while he was speaking that the house would give this resolution deep and serious consideration because it deals with a matter which is important and of interest to us all. I hesitate to agree with the hon. member for Vancouver East in his suggestion that the question be referred to the committee on agriculture, because certainly some of the matters mentioned are better dealt with by other committees. The seal fishery is under the jurisdiction of the Minister of Fisheries (Mr. Robichaud) and at the present time is well regulated by that department.

The problem of disappearing species, both of bird and of animal life, is something that has been with us since the start of the world. Of course we no longer have the dinosaur or the other large animals; due to the change in world conditions they have long since ceased to exist. On the other hand we have had an increase in certain types of animals which perhaps were not so numerous in the past.

The question raised by the hon. member concerning the use of animals for medical research is one which is of concern to all of us. The question whether or not animals should be used for medical research is perhaps easy to answer; I think that if medical science is to advance at all such research is a necessity. Transplanting of organs from one dog to another took place long before it was tried with humans. There have been many amazing cases over the past years when knowledge gained from experiments with animals has been used for the furtherance of mankind and to save lives.

Mr. Cowan: Think of insulin.

Mr. Chatwood: Yes, the hon. member reminds me of insulin, a very important discovery.

I should like to comment a little further on the third item in the resolution which deals with the most humane method of trapping furbearing animals, and also asks for consideration of whether the Canadian seal hunt should and could on a practicable basis be discontinued. Although the hon. member stated that he had no particular feeling one way or the other on these items, his suggestion that the seal hunt be discontinued grates on me because I feel very strongly that it plays a vital part in the Canadian economy.

First with regard to the trapping of furbearing animals, while this is a matter to be considered by manufacturers of the traps and also by the trappers taking fur, I doubt whether the agriculture committee—and I do not see the connection between the agriculture committee and the trappers in our northern lands—could improve on the method used. The furs that are trapped in my area have been reduced in number over the past years, as has the number of people engaged in trapping. Nevertheless I think it is still well recognized that the Labrador mink is the best and that the quality of Labrador mink is superior to other varieties.

With reference to the seal fishery, Mr. Speaker, the hon. member's suggestion that this can be discontinued on a practicable basis amazes me. The whole idea seems impossible to me and I should like to make a few points to illustrate why. The Canadian seal hunt is, of course, tied in with seal hunts in other parts of the world. In various sections of his speech the hon. member for Vancouver East referred to information he has received from many countries of the world regarding other aspects of the treatment of animals, both as pets and for use in research.

I think the Canadian seal fishery is basically divided into three areas that call for consideration. The first geographic area is the gulf, where the whitecoats are taken. The seal fishery in the gulf is limited to the whitecoats and this is closely supervised. Method of killing and quantity taken are controlled by federal government regulations. The amount is set each year and reviewed each year on the basis of size of herds. Over the past years the limit has been kept to 50,000 pelts, and at the present time this appears to be a reasonable quantity so as to maintain the seal fishery in the gulf. Should the herd become depleted the amount would be lowered; should the herd increase in number by an unwarranted amount then the limit would be increased.

The reason for controlling the number of seals taken in the gulf is based on the point made so well by the hon. member for Vancouver East, namely that we must conserve our wild animals, our fish, our birds, indeed wildlife in general in the country. The method of taking seals in the gulf is designed to conserve what is a vital industry to the area. The seals come down to this area to whelp and to breed and are there for a period of 75 days. During this time they are feeding for about 60 days, and in this wild feeding the adult seals eat about 15 pounds of fish a day. If 50,000 seals fed themselves at the rate of 15 pounds of fish a day each, this would have a direct effect on the fishery industry in the gulf area. This would affect fishermen along the coast of Quebec, and Newfoundland, and the other maritime provinces. The industry in the gulf supports approximately 40,000 men. That is not a matter that can be lightly dismissed.

• (5:30 p.m.)

In addition, if seals were not taken in the gulf, they would eat large quantities of fish. That would have a direct effect on the fish that could be taken by our fishermen. The seals that come south also carry an enzyme or disease which attacks herring. If the seal herds were left unchecked, this disease would attack our herring schools and the herring that could be caught would be reduced. All this comes back again to the question of conservation and the balance of nature.

It is all very well to say that if nothing were taken from the sea nature would balance the seal fishery and the growth of other species of fish. But the balance of nature is not left to take place unchecked. Other species of fish are taken from the sea, and they will continue and should continue to be taken. If we did not control the seal herd we would thus reduce the amount of fish that could be taken by our fishermen in the area. In addition, sports fishing in our rivers would be affected since seals, by multiplying, would not find sufficient fish to catch at sea and would come up our rivers to attack and eat our sports fish.

The second area of sealing with which we ought to be concerned is the area of seals which are taken from the shore by fishermen who live on the shore. This area of the seal fishery involves a large area and a great number of men. The income that each individual obtains from this aspect of the seal fishery is not as great as the income of a sealer who goes to the front in a larger vessel to catch seal. At this time I am talking about those fishermen who take seals from the shore. This activity involves the province of Newfoundland and the Labrador coast; it involves also the province of Quebec in its coastal areas and certain areas of the maritime provinces where fishermen take seal from the shore to supplement their income.

The shore fishermen, if there is ice, go over that ice to take seals. If there is open water between the ice and the shore they go off in small boats through the ice in order to get at the seals. The number of seals that they take is not large; the amount of income is not large and these fishermen work hard and often risk their lives in this hard method of earning a living.

This fishery means a great deal to those fishermen at this time of year. The few seals they take mean a great deal to them. The fishery supplies them with meat from the body of the seal, and with furs, which are sold. It also brings in a small amount of income at a time of year when many fishermen have no other income. Thus it is of vital importance to them. The income they derive, at a time when other types of fishery bring them no income, is used in the spring of the year to outfit them for the summer fishery. Thus, taking seals from the shore is of vital importance to our fishermen, since the fishery provides them with food and with income with which to outfit themselves for the summer fishery.

The third aspect of the seal hunt that should be considered is the well known and well publicized seal hunt which is commonly called "at the front". Larger vessels come to

the front ice, where the seals are. The sealers leave their ships, kill the seals and bring back the pelts. The dollar value of this part of the seal fishery to the men at the front, in a good year, would be over $1,000 for each man taking part.

Mr. Churchill: Would the hon. member permit a question? Does he oppose referring paragraph 3 of the notice of motion, that paragraph dealing with the most humane method of trapping fur bearing animals and consideration as to whether the seal hunt should continue, to a committee for study?

Mr. Chatwood: As I said earlier, I feel that the subject matter of that paragraph is not an appropriate subject matter for the committee on agriculture to consider. It is an appropriate subject matter for the consideration of the committee on fisheries. Since the seal hunt presently is well regulated and inspected by officials of the Department of Fisheries, I should not be opposed to seeing that paragraph considered by a fisheries committee.

I have said that the seal hunt at the front brings in over $1,000 to the sealer who works at the front. The value to the Canadian economy of that fishery is about $2 million in one year. That value is derived from the fur of the pelt and also from the fat taken from the seal.

Part of the seal hunt at the front takes place in an international area in which ships of other countries operate. They come to the front, off the northeast coast of Newfoundland and Labrador, to pursue the seal fishery. Canada's interest in the seal fishery, and the vital economic importance of the seal fishery to Canada, has made it possible for Canadian officials effectively to state their case for the regulations which presently govern the seal hunt at the front. They have said that seals should be taken within a certain period, and they have set the dates between which seals may be hunted.

The other countries which take part in the seal hunt at the front are, mainly, Denmark, Norway and Russia. Though Russia has not been a signatory to previous agreements, Canada, Norway and Denmark are members of the international commission for the northwest Atlantic fishery. Over past years that commission has given a great deal of consideration to whether the seal hunt, which is a vital Canadian industry, should be continued. The industry is vital in terms of national product as well as in terms of enabling our fishermen to make a living.

Speaking of the importance of allowing fishermen to make a living, I think that any consideration which is given to regulations with respect to the seal fishery should recognize the basic rights of fishermen, using boats and tools that are most familiar to them, to take seals or, in a larger sense, to take fish and to make a living in their accustomed way, which is their basic right.

• (5:40 p.m.)

Mr. H. W. Danforth (Kent (Ont.)): Mr. Speaker, though the remarks of the hon. member who has just taken his seat displayed great knowledge of and interest in aspects of the seal fishery, I hope that the fact that he has made a speech does not mean that the government will not look with sympathy on this notice of motion. Speaking for the official opposition, I wish to add my full support to the motion of the hon. member for Vancouver East (Mr. Winch). Knowing the hon. member, as I do, I am convinced that such a motion has been presented before parliament strictly because of his concern, as a human being, for the well being of the domestic and wild animals of this country. I do not think it is put forward in the hope of any political gain which might derive from it, and in these circumstances I cannot but give my full support to this proposal, one which is put forward from the heart as this seems to be.

Turning now to the affairs of this house and the request that this subject be placed before the committee on agriculture, forestry and rural development, let me say at once that out of sheer desperation I would support any reasonable request for a subject to be discussed by this committee, in the hope that the committee might be reconstituted, especially at a time when agriculture is in such dire straits. We on the opposition side of this chamber are becoming very impatient—tired of sitting on our hands simply because the government declines to refer anything to the standing committee on agriculture to enable us to get on with the business of this great industry.

It is not my intention to repeat the arguments so ably put forward by the hon. member for Vancouver East, nor is it my intention to prolong my part in this debate. I would prefer to give the house an opportunity to arrive at a decision on this issue. I am sympathetic toward the motion because it has been presented in the fairest way in which a motion could be presented, that is to say, it does not take sides; it merely asks that the matter should be considered and that the

committee in its wisdom, after hearing witnesses, should then propose to the government what action it feels should be taken.

There is no doubt that the public conscience is seized of the way in which animals are treated in this nation. The humane society has been doing tremendous work and has been expending tremendous energy trying to focus public attention on cases of ill treatment which might otherwise have gone unnoticed. There is of course another side to this question. Charges which may be ill founded, or based only on rare instances are often made against individuals or sections of the population.

Under the proposal now put forward these people would have the opportunity to put their side of the question before parliament in order that they might be acquitted of any guilt or condemnation. This is why I am surprised at the attitude taken by the hon. member who has just spoken. He was seemingly preoccupied by a desire to protect the sealers and those who make a living from this particular industry, but I believe that if he were really concerned, following the publicity which has been given to this issue in the last 12 months, he would be delighted at the prospect of a forum which would hear both sides and before which all points of view would be put forward for the benefit of parliament.

I feel that the standing committee on agriculture is the very forum in which these matters could properly be considered. This is tied in with measures to conserve fish, birds and animal wildlife. Especially I should like the committee to deal with a subject which I believe is of great concern to the people of this nation, namely the use of chemicals in the agriculture industry for the control of noxious weds and insects, and the effect of such use upon domestic animals, wildlife, birds and fish.

Such a study might enable us to decide whether we are permitting mass murder by the use of such chemicals, wiping out species which are really of special benefit to us. It might also help us to determine whether there are residues from such chemicals which seep into the soil affecting the health of human beings. The Department of Agriculture is already doing splendid work in its efforts to keep the use of such chemicals under control, and to test them before they are released for general application. But there is always a gnawing suspicion that not enough is being done. From time to time we hear of accidents, perhaps when control has not been sufficiently exercised, as a result of which fish die by the thousands in their ponds or streams, or a particular species of bird life is destroyed over a wide area, and these losses are assessed as being the result of the use of chemicals in agriculture.

In the committee on agriculture we have a forum where these important questions could be studied. The committee would have power, as the motion puts it, to send for persons, papers and reports to help it in its deliberations.

I approve of this prospect. It would give us an opportunity to listen to the views of knowledgeable people on all aspects of this question, and to lay before the parliament of Canada sound recommendations which might clear up once and for all the suspicions to which I have referred and the conflicting claims as to what is being done and what could be done.

Instead of prolonging my remarks I intend to resume my seat in order that we may have ample time in which to pass this motion, since I think its passage would be of great benefit to the people of this country and to the wildlife which we should all appreciate so much.

Mr. R. J. Orange (Northwest Territories): Just before he resumed his seat, the hon. member for Kent (Ont.) (Mr. Danforth) told us he intended to do so in order that the house might have an opportunity to deal with the motion before us. He seemed to forget that one of the prerogatives of members who sit in this chamber is the opportunity to speak out on subjects which concern them.

I intend to say a few words with regard to this motion the hon. member for Vancouver East (Mr. Winch) has put forward today. Before doing so I should like to acknowledge the spirit in which he made his observations. I understand his concern. However, I am not sure that this particular notice of motion as worded would secure the results he has in mind.

Looking at the motion I see it refers to the use of animals for medical research purposes, the treatment of animals as pets, the most humane method of trapping furbearing animals, and so on. The notice of motion also refers to the Canadian seal hunt and to consideration of the entire picture relative to the maintenance of fish, bird and animal wildlife and the regulations required for conservation. I am sorry that it does not refer to two other matters which affect Canadian animals.

• (5:50 p.m.)

I refer to animals used for commercial purposes and the manner in which commercial slaughterhouses treat them. Like most hon. members I have visited slaughterhouses, and I have been appalled with the conditions under which cattle, sheep and fowl are treated in them. Yet tonight, before the evening is out, there will be hardly any of us in this house who will not sit down and partake of the flesh of animals which in many cases were not humanely slaughtered.

The notice of motion does not deal with hunters—people who participate in the sport of hunting birds, deer, caribou and other big game. I think that in hunting there is probably more cruelty than there is in the treatment of animals for medical research purposes, or than there is in the treatment of pets. I recall being invited to joint a hunt a number of years back, not far from Ottawa. When we took off early in the morning the idea was to stake out a deer. Being rather fortunate, or unfortunate on that particular day, we came across the tracks of a deer. The party of about 12 or 14 people split up and took off across farmers' fields.

Suddenly a deer, or what appeared to be a deer, shot across a field. Mr. Speaker, it sounded like the Battle of Britain all over again. Rifles and shotguns were being discharged in all directions. At the end of the shoot, fortunately there was the same number of hunters as before it started. The group I was with took off to see if it could find the deer. Unfortunately someone had hit the deer, but where, I have no idea. There was a trail of blood as far as we could follow it, until we reached water. Whether or not the deer was seriously wounded or ended up with a little bit of buckshot in it, I cannot tell.

I admire the spirit of the hon. member's proposal, but I think we should take into consideration all aspects of cruelty to animals. The third section of the hon. member's motion deals with the most humane method of trapping furbearing animals. I believe only the best possible traps should be used by Canadian and other trappers.

When a trapper takes off through the bush and sets his traps, he sets them at certain distances apart, according to his knowledge of the terrain. Then he leaves the set traps for one, two, three or four days. He returns to his trap line after one, two, three or four days, hopeful of finding mink, lynx and muskrat in his traps. The traps are designed so that the animals may be killed immediately when the traps are sprung, in order that the fur of the animals will not be destroyed.

In talking about furbearing animals I think we must take a hard look at the effect of the fur trade on certain parts of the Canadian economy, particularly the economy of the Indian and Eskimo people. Trapping is a rather hazardous occupation. It is one that produces rewards only with hard work. The price of fur varies in wild gyrations. We have had an example of this with respect to sealskins.

Until the unfortunate publicity arose over the seal hunting in the Gulf of St. Lawrence the price of sealskins, which has a direct bearing on the economy of the Eskimo people in the Arctic, averaged in the vicinity of $18 to $24 per skin. Today one can go into the Arctic and buy good sealskins for $2 or $4 each. This publicity has had a fantastic and most unfortunate effect on the economy of the Arctic. I do not suggest there is any relationship between the seal hunt in the Gulf of St. Lawrence and the manner in which seals are hunted and trapped in the Arctic. But because the word "seal" is now a bad word, fur manufacturers throughout the world are no longer interested in sealskins. Consequently there is a great deal of—

Mr. Speaker: Order, please. I regret I have to interrupt the hon. member but the time assigned for consideration of private members' business has now expired.

It being six o'clock this house stands adjourned until ten o'clock tomorrow in the forenoon, pursuant to special order adopted this day.

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

HOUSE OF COMMONS

Thursday, December 21, 1967

The house met at 10 a.m.

HOUSING

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have the honour to move, seconded by Mr. MacEachen, that this house do now adjourn. I move this motion, in accordance with an agreement among the parties in the house, so it may initiate a discussion of housing and urban development between this hour and, I believe, one o'clock. I have the privilege of introducing this subject, and I hope to set a good example by giving a very brief statement. Before the discussion is concluded, I hope the minister responsible for housing may be able to wind it up and deal with points which may be raised.

An hon. Member: Why isn't he leading off?

Mr. Pearson: Because I am leading off, which may not be a very adequate reason but is the best I can think of at the moment.

As the house knows, a federal-provincial housing conference was held in Ottawa a short time ago. I had the honour to preside over it, although I was not able to attend all the sessions. It has been described as having been a failure; because it collapsed prematurely and some of the premiers walked out of the conference before it ended. I should point out that the letters to the premiers invited them to come to Ottawa to discuss this subject and to exchange views on this very important and urgent problem at a meeting beginning on Monday, December 11 and continuing perhaps for another day or two.

In my opening statement I expressed the hope that we might be able to complete the discussions by Tuesday night, but that if not we would go on until Wednesday. We did, in fact finish our work before the third day, and the premiers who were here at the beginning were here at the end. Indeed, I recall very well a dinner which was held on Tuesday night, a very useful and friendly dinner at which all the premiers who were here at the conference were present.

So it was not a question of the conference breaking up. Before it completed its discussion, arrangements had been made and agreed on for the federal and provincial deputy ministers responsible for housing in their particular governments to meet in three months to follow up some of the subjects that were raised at this conference, and for the ministers responsible for housing in the various governments to meet together in six months.

The purpose of the conference, as indicated in the invitation, was to examine the very important and serious problem of housing and urban development and to see what could be done co-operatively—because that is the only way in which progress can be made —to improve the situation.

As all spokesmen at the conference pointed out at one time or another, the problem is basically one of urbanization in our country. The process of urbanization in Canada has now reached the point where the concentration of population in urban centres is proceeding apace. At the present time 75 per cent of our people live in cities or towns. I am informed that by 1980, at the present rate of progress, two thirds of the people of Canada will live in 29 urban centres and one third will live in three metropolitan centres.

Housing is only one, but certainly the most immediate and urgent, of the problems rising out of urbanization and urban development. As all hon. members know, the problem is to keep pace with this development in terms of the number of houses required for adequate or better than adequate housing, and to improve the quality as well as the quantity of our housing. Progress has been made in this field. I may have a few figures to give, though the minister will have a chance to go into the subject in greater detail. There has been progress in recent years, of course, but that progress is not sufficient. Perhaps the most impressive indication of the problem, what has been done and what is required to be done, which is more than has been done, is contained in the fourth report of the Economic Council of Canada. This report was often quoted during the discussions.

Housing

• (10:10 a.m.)

There are, of course, related problems in urbanization in addition to housing. I will only mention problems such as transportation and pollution. There is also the matter of cost, which has something to do with the whole problem. The fact is that as we all know the cost of housing has gone up 50 per cent in 15 years, in spite of the efficiency of the housing industry. The efficiency of this industry has been increasing, in part at least due to the assistance given and investigations carried out by governments, including the federal government. But while costs have gone up 50 per cent in 15 years it is only right to point out, on the other hand, that incomes have gone up by 100 per cent.

Perhaps the most difficult, the most serious factor in connection with increased costs is the cost of land, both raw land and serviced land. This is a matter of more immediate importance, because it comes under their sole responsibility, to the municipal and provincial governments, although the federal government certainly has a relationship to the problem. One of the difficulties in dealing adequately with the housing problem, a difficulty which was faced at this conference, arises out of the complexity of the government closest to that problem, that is, municipal government. There are 18 cities in Canada now with populations of over 100,000 people, but there are 260 municipal jurisdictions covering those people. This of course makes it much more difficult than it would be otherwise to deal with the problems involved in housing and urban development, urban transportation, pollution and that kind of thing.

Now, Mr. Speaker, of course the immediate question is how best to deal with the problem. More money from Ottawa alone, important though that may be, is not the answer. During the last ten years the federal government has invested in privately initiated housing $3.5 billion. No doubt in future the government will have to invest more as opportunities and resources are available. But that alone is not the answer—that is, federal participation—for the simple reason that the provinces have the primary responsibility in this matter, not the sole but the primary responsibility.

This brings up the question, which is sometimes overlooked, the question of jurisdiction. It was made quite clear to us at the conference, by some provinces particularly, that this whole matter was primarily a provincial one, and that the federal government should be very careful in intervening beyond its jurisdiction in this field. There was no doubt as to where certain provinces stood in that regard. I know there are those who feel that to the greatest extent possible we should go ahead ignoring constitutional difficulties; full speed ahead and damn the constitutional torpedoes.

Some hon. Members: Hear, hear.

Mr. Pearson: I hear "Hear, hear" from the other side. If we went full speed ahead in this country of ours and said damn the constitutional torpedoes, we would not keep the ship afloat for very long. While this, of course, is of fundamental importance, there is no question, Mr. Speaker, about federal responsibility. This is a national problem as well as a provincial problem. If it were not a national problem the federal government would not have invested those sums I have mentioned in the last 10 or 15 years. But we have attended to our responsibilities in this, and in similar fields, with full regard to the jurisdictional and constitutional rights and responsibilities of the provinces.

We had a discussion on pollution at this conference. If anything could be national in scope and in impact, surely it is pollution. The air does not stop at any provincial border, nor do rivers stop at a provincial border. We were warned, however, in connection with pollution matters that we should be very careful about interfering with provincial action in this field. We do not want to interfere, we want to assist. While the initiation in respect of these matters in many cases must come from the provinces we must help them and work with them within their jurisdiction as is laid down in the constitution.

We have helped. We have taken steps which we expect will improve the mortgage market and get more private money into housing. I am not going to go into those steps because they are well known. There were differences of opinion at the conference about the effectiveness of these measures, whether we had in fact increased the amount of money coming into the market. Perhaps the Minister of Labour will be able to deal with that. However, one thing has been shown. If we had not taken these measures while perhaps they have not increased the amount of money to the extent we would have liked, there would have been very little, if any, mortgage money coming into the market at

this time. The results, therefore, while not perhaps as encouraging as we would have hoped, have certainly shown an improvement.

At the very beginning of the conference, and not as a result of provincial pressures as has been sometimes indicated nor in accordance with provincial proposals as has been suggested, the federal government made four concrete proposals which are of great importance and which would enlarge the activities of the federal government in this field. I do not believe sufficient attention has been given to these proposals or the effect they could have on housing in this country if they are taken up by the provinces. I admit that we could probably operate with the provinces to a greater extent in putting them into effect in years to come than we can this year because of financial difficulties; nevertheless even this year there will be more money available for this kind of federal assistance than there was last year.

Now I want to put these proposals, which improve and enlarge the lending procedures, on the record because they are important. They were outlined to the conference in my opening statement and subsequently in the background paper which was circulated. The first proposal provides for federal-provincial participation in comprehensive planning of our urban regions in advance; the acquisition of land for transportation corridors and open spaces for recreation and similar community purposes. This is a new initiative on the part of the federal government for federal action, as are the others I am going to mention.

The second is federal-provincial support for land assembly and development of comprehensively planned new suburban communities within urban areas. This is a very important proposal which in some countries has had very important results, and I am thinking now particularly of Great Britain.

The third proposal is for housing subsidy programs to serve as an integral part of other combined federal-provincial anti-poverty measures in special areas characterized by general poverty, lack of employment opportunities and slow economic growth. This would provide for selling as well as renting housing at below cost in those areas.

The fourth proposal is for a more vigorously supported program to assist growing families to locate homes, many of whom require not small apartments but three or four bedroom accommodation and good community facilities within reach of their moderate incomes.

These are important proposals. As I say, they will require amendment to our legislation and we will be bringing in those amendments as soon as possible. They will also require full co-operation from the provinces so we can work together in these new fields of federal-provincial action. They will require, in due course, massive amounts of money, provincially, municipally and federally. Suggestions have been made, Mr. Speaker, that we will have no money next year, or less money than last year for this special purpose, but that is not the case.

• (10:20 a.m.)

Before I conclude, Mr. Speaker, perhaps I should say a word about the 1967 housing record, and then say something about the proposal we made for a council to be set up in the field of housing.

The record in 1967 is not good enough to deal with the problems that we face, problems which have been exposed to us by, among others, the economic council. To meet these problems satisfactorily we will require 175,000 or 180,000 starts a year. This year housing starts throughout Canada should reach about 160,000, which is 26,000 units better than last year and approaches the highest figure that has ever been reached.

To the end of November of this year total National Housing Act participation in new housing involved approximately $921 million. Of this amount more than $610 million represented direct government loans for residential construction. It is that kind of assistance, especially in regard to certain kinds of public housing, for poor or underprivileged people, the provision of student residences and things of that kind, that will be available next year, I hope in equal if not larger amounts; and this notwithstanding our financial difficulties. We expect more money from the private sector to go into private housing, and this will leave more government money available for public housing.

We also proposed at the conference the establishment on a federal provincial basis —though we did indicate that we would be willing to pay for the establishment and maintenance of the machinery—of a council on housing and urban development, a proposal which did not get immediate acceptance on the part of the provinces. I was a little surprised at that, because I think this can be a very important development.

The case for such a council has been put very effectively, more effectively than I can put it, by a body that is continually being quoted in this and other fields, namely the Economic Council of Canada, which is now an economic body outside government that is investigating and doing research to advise government. I think no one now claims that this is a useless piece of machinery that is getting in the way of the federal government, though there are times when the federal government does think its advice is perhaps not the most constructive in the world from the point of view of our responsibilities. This is bound to occur with an independent body, but its very independence is its value.

Is there no place, Mr. Speaker, for this kind of research and investigation through a federal-provincial council in this other important field? The fourth report of the Economic Council of Canada has this to say at page 268 on the subject of housing and urban development:

> The essential need is for a synthesis, a comprehensive philosophy, a co-ordinated concept of urban development. This applies both to the largest metropolitan areas, where expansion and decentralization need to be framed within the setting of the broad urban region, and to the city complexes of more modest size where rates and problems of growth will nevertheless still be formidable.

The report continues:

> —in no area of government affairs are there more glaring gaps and deficiencies of data, information and understanding than in urban problems and government. This is not to deny the many useful efforts to improve the situation. But there is an immense need for more and better co-ordinated study and research in this field.

It was in an effort to meet this need on a federal-provincial and not merely a federal basis that we put forward what I believe to have been a useful and constructive proposal, one which was undoubtedly considered as such by the economic council when they wrote this report. That is the basis behind our proposal for a Canadian council on housing and urban development to be established jointly.

There is no thought in this proposal, Mr. Speaker, of establishing merely another committee of government officials, federal, provincial and municipal, to create some new bureaucracy to produce new but inactive uses for old papers and reports to meet the problems in this field. This was not the purpose, and it was made clear that it need not be the result of the acceptance of a proposal of this kind. A council of this kind would in a sense have the same relationship to government in the field of housing and urban development as the economic council. It would consist of outside experts in this field. No council of this kind is now doing the job on a national basis.

The purpose, then, was to establish—and I hope this purpose will still be realized—an impartial and influential body that could act as a kind of public conscience, a spur for urban development in Canada, encouraging government at every level to do the necessary things in this field. It could publish reports, it could publish reviews on a regional and a national basis, and it could offer specific suggestions to all governments on priorities and solutions for both the immediate and the long term problems. This kind of reporting and investigation could serve as the basis for the annual meetings which I believe will take place between provincial ministers and a federal minister dealing with housing problems.

This was not an excuse for inaction, Mr. Speaker. This was a proposal to make possible more action, more intelligent, planned action on a national basis so as to help not only the federal government but each provincial government in the field of housing. There is no comparable body in the national field. As I say, I think this was a very useful proposal, and when the provincial governments give it further consideration they may also decide the proposal is a useful one. However, it is up to them; if they do not wish to participate that is their responsibility, and no doubt they will continue to operate through their own provincial bodies in this field.

I have ventured, Mr. Speaker, to indicate some of the problems in the field of housing as well as some of the results from the exchange of views at this conference. In particular there were the four proposals which were put forward and which could lead to very far reaching federal and provincial developments in the field of housing; that indeed could lead, if the provinces so desired and within their own constitutional jurisdiction, to an even greater participation than that which has taken place in earlier years by the federal government in a field of very great and serious importance, one that is likely to become even more so.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, we have three hours only to debate this very important matter of housing and urban development. I intended to keep

my speech to the minimum time and to appeal to all members of the house to cut down their speeches, because on our side alone there are seven members who are very anxious to speak. Of this valuable time the Prime Minister has taken something like 20 or 25 minutes, and I am wondering whether we are any better off now having heard his speech.

One result of his speech, Mr. Speaker, is that I will have to spend a little more time than I had intended in order to correct some of the impressions the right hon. gentleman left. For example, the Prime Minister seemed to be quite happy or proud about the fact that this year there will be 160,000 starts, which he said was some 26 per cent more than last year. But what he does not say, Mr. Speaker, is that the number of starts last year was 134,000, which is less than the number of starts in 1955, 12 years ago. Furthermore, the number of starts this year, 160,000, is 4,000 fewer than in 1965. As a matter of fact it is 4,000 starts fewer than in 1958. But apparently the government and the Prime Minister are quite happy with the fact that there was a big increase over the miserable year of 1966.

• (10:30 a.m.)

I agree with the Prime Minister that we cannot rely entirely on government money to finance housing. I agree also that government money primarily is required to provide housing for those people in need. But what the Prime Minister has overlooked is that although it is not essential that government money alone finance housing, it is essential that the fiscal business of the country be so arranged that private money at a reasonable interest rate is available to finance housing. That is the crux of the problem that faces us today. I recognize that the government has put over $900 million into housing this year, but that was necessary because of the mismanagement of the fiscal affairs of this country which has meant that private money at a reasonable interest rate has not been available to those who need housing.

The suggestion of the Prime Minister at the conference, that a council be established to deal with this problem, has a great deal of merit; but I submit that because of the attitude of the government in respect of the growth of bureaucracy there is suspicion in the minds of the people and the provincial governments that any suggestion of the federal government in this direction is made just to enlarge the growth of bureaucracy. I think this is one reason the provinces immediately rejected the idea of such a council. I hope when a government that does not encourage the growth of bureaucracy comes into office the provinces will recognize that this is not just a growth of bureaucracy but might be of benefit in solving this problem, even though the suggestion be implemented in some modified form.

Many times in the past year we have discussed the matter of housing. On October 2 when we were debating a supply motion I made a motion which read in part as follows:

> And this house regrets the failure of the government to recognize the housing shortage as a major crisis requiring immediate and co-ordinated steps for its solution as clearly indicated by the recent report of the Economic Council of Canada.

We had a two day debate on this subject at that time. We also had debates on the matter earlier this year. What has happened since that time? The situation is worse; there has been no improvement. Perhaps I should qualify that and say the only improvement has been a slight increase in housing starts, but the cost of housing has been so high that the average Canadian has been unable to avail himself of the facilities of the money market.

Prices have increased since that time. The Toronto Daily *Star* of December 13 published an article which quoted the president of the Toronto real estate board as saying that the price of a metro home will go up between 5 per cent and 10 per cent next year "because fumbling governments"—I do not say this government alone is responsible for the mess we are in with regard to housing, but it must bear the major part of the blame—"can't get together on the housing crisis." The president of the Toronto real estate board made many good suggestions in this article. I will not take the time to read them all, but would refer the minister to the article.

The president of the real estate board suggested the elimination of the 11 per cent federal sales tax on building materials used in new homes and in alterations to existing homes. That suggestion has been made over and over again. In spite of the shortage of housing and the increased cost the government persists in contributing materially to the increase in cost by maintaining the 11 per cent sales tax on building materials. An article which appeared in the Vancouver *Sun* of December 13 said:

> Meanwhile, there is no logical excuse for governments, supposedly striving to stimulate home construction, to deter it by taxation.

This article then refers to the very interesting suggestion by Premier Johnson of Quebec that if the federal government would drop the 11 per cent sales tax on building materials he would remove the 8 per cent sales tax in that province. It is estimated that if this were done the cost of a $15,000 home in Quebec would be reduced by $1,300. This is an approach that could perhaps be used with the other provinces.

What else has happened since October 2? The cost of living has gone up. The war on poverty, which I assume would include those too poor to provide adequate housing for their families, has been abandoned. Taxation has been increased; the average Canadian will be paying more taxes starting January 1 next year, which will make him less able to buy a home. The Prime Minister and the Minister of Labour have confirmed that next year there will be even less government money available for housing. Because of the increase in the interest rate there may well be an increase in the private money available, but the cost will be so high the average Canadian will be even less able to finance a home for himself and his family. As a matter of fact the indications are that in spite of the proposed cuts in next year's budget the average Canadian will find that a house will be even more expensive. Hon. members will recall that in the speech from the throne there was reference to a federal-provincial conference on housing and urbanization. We urged the government to call this conference. The government did not heed our urging at that time, but we pinned our hopes on something concrete coming out of such a conference. I say to the Prime Minister and the Minister of Labour that in my opinion some of the suggestions made at the conference have a great deal of merit. Some of them are forward looking and in time will be of great help in solving this problem. I admit that.

I do not know how these federal-provincial conferences work. I do not know to what extent there is prior consultation. If I were a representative of a province and such proposals were thrown at me, I could not at that moment give any indication of the position I would take. I would want time to study the proposals. I know the Prime Minister has said there will be a conference of deputy ministers three months from now and of ministers six months from now, but I suggest that a conference of this type would be more fruitful if the provinces had advance notice of the proposals it was intended to put forward. I believe this is one reason the federal-provincial conference did not bring forth any valuable solutions to this problem.

The Prime Minister said the conference was not a complete flop. I do not know what has come out of it that is of value in the present situation. I should like to quote what other people have said about the conference. The Ottawa *Journal* of December 13 said:

> Not a single additional house will be built in Canada as a dividend from the federal-provincial housing conference which broke up yesterday, a day early.

We find these words in the Hamilton *Spectator* of December 14:

> The best comment on the federal-provincial housing conference is the silent one given by the delegates themselves: They did not wait for the end but departed one day early. The affair was a washout.

I recognize that the Prime Minister said there was a possibility it would last only two days, but this is what editorials in newspapers across the country are saying. The Charlottetown *Guardian* of December 14 said this:

> The federal-provincial housing conference has petered out, leaving the housing crisis pretty much as it was, and the country still looking vainly for leadership from Ottawa.

The London *Free Press*, an important newspaper to certain parties, said in an editorial in its December 14 issue:

> It can hardly be said that the latest federal-provincial conference contributed anything substantial toward the solution or amelioration of Canada's housing crisis.

I said when I began these remarks that I intended to keep my speech short so that other hon. members would have an opportunity to make their contributions. Many suggestions have been made to solve this problem. The fourth annual of the Economic Council of Canada contains a most important suggestion, namely that housing must be given a certain priority and the importance of housing to Canada must be recognized. I suspect that this government has not given due recognition to the importance of housing. It has not sufficiently recognized that this is a social matter of great importance to the Canadian people.

• (10:40 a.m.)

I will not take up the time of the house to say much more, but in a recent issue of a publication which is put out by the Canadian home builders association a number of suggestions are made which if adopted would assist in easing the housing problem. It

appears that such suggestions, and others which are made from time to time, fall on deaf ears. It seems that this government is incapable of solving the problem.

This government has lost the confidence of the people. It does not convey the impression that it is capable of solving the problems of Canada; and housing is merely one of this country's problems.

In case the Prime Minister has any doubt about the purport of my remarks, I say that it is essential for the government to comply with requests to make money available for housing. Certainly there are problems in planning, and the Prime Minister has not emphasized them enough, but money for houses must be made available. It need not necessarily be government money. The business of the country must be conducted in such a way that money at reasonable rates of interest is made available to fulfil the important needs of housing.

Mr. Reid Scott (Danforth): Mr. Speaker, may I say how pleased I am to see the Prime Minister here during this debate. At the conference, about which I shall say a word or two, his concern with the problem of housing was very, very evident. I am not convinced that the conference was a failure. Though not too much came of it, those of us who sat through it began to realize, if we did not realize it before, that in the area of housing we face a problem of nation-wide and staggering proportions. If there was any doubt about that before the conference, there was none afterward.

The conference also showed us how tremendously difficult it is to govern this country. The provinces, I think, came there and in effect told us "Give us money, and that is all we want." But the matter is not that simple. All the briefs that were filed and all the statements that were made emphasized the fantastic proportions of the housing crisis. They also emphasized our tremendous regional problems and the regional solutions that will be required.

It is purposeless in a debate like this to put on the record the dreary statistics showing how we failed in housing. I do not want to become partisan. I think we all realize that in the entire area of housing our people, all our governments have failed. Not only has the federal government failed; the provincial and municipal governments have also failed. So in this country we must somehow find 12 million houses before the end of the century just to pick up the slack. How we are to get those houses and how we are to finance them is the question we must ask ourselves.

It is a platitude to say there is no problem. This is a nation-wide problem; it is the most outstanding social problem that we face and as great as national defence. Our housing problem is about as great as any problem today. It is as great a problem as education, we can speak of.

I was glad to hear the Prime Minister say to the conference that the federal government has a wide area of responsibility in this matter. I realize the constitutional difficulties that he and his government face. My impression of the conference was not that those difficulties really created a barrier; instead, I thought the provinces were so desperate that they would welcome strong federal initiative and leadership in this area. The main impression I got from the conference was that the provinces, through their statements, admitted that they are incapable of solving the problem and that they are all desperately seeking a federal initiative in this entire area. There is no other way out of our difficulties. If the federal government will not assume some wide area of responsibility we shall never solve the housing crisis, and future generations will curse us for it.

Taking that initiative is not torpedoing the constitution—and I regret the phrase which had to be used. The provinces are looking for co-operation. No level of government alone can solve the housing problem; it can only be solved by a gigantic partnership of the federal government, provincial governments and municipalities. If we do not do this there is no hope at all.

At the conference I regretted to hear the minister conduct a whining, two day defence of a non-existent housing policy; because that is what we have in Ottawa and that is what we have had in Ottawa for the past 15 years under all governments. There has been no housing policy.

In this short debate we cannot detail a solution to the problem. That is impossible. The housing crisis has been with us much too long and it is much too deeply rooted for us, in a three hour debate, to begin to solve it. If the debate achieves nothing else it will have been worth while if we are able to establish that a crisis exists and that the federal government should assume a large degree of responsibility and leadership for a housing

program. This has never been done in Ottawa, and that has been my complaint since I arrived in the chamber.

Housing has always been treated as a pump primer. The government's policy has been that when employment goes down, it will throw a lot of mortgage money into the market. That creates tremendous dislocations in the building industry. There has never been any sustained flow of funds with which those who are interested in this field can operate. The government can make a great contribution in this field. What we really need, as we have been asking for a number of years, is for the government to accept its responsibilities. Then we could try to solve the problem. It seems to me the government must demonstrate that acceptance by creating a ministry—I know the constitutional difficulties that that might pose—of housing and urban affairs, headed by a full time minister.

Mr. Nielsen: Not another department?

Mr. Scott (Danforth): I have been criticized in the house for the things I have said about the Prime Minister, but my remarks were not meant to be personal. The entire problem of housing is so immense, so critical and so national that it can only be solved, if it can be solved, by a minister who devotes his entire attention to it. Even if that were done I do not think we should solve our housing problems for a decade, we have been so neglectful and the problem has become so immense; but that would be a good start. I realize that at the conference the Prime Minister's suggestion that there should be a council was turned down by most of the provinces, but surely this poses a challenge to us here to give the kind of leadership which the people of this country so desperately want. It could be done, it seems to me, without infringing upon the constitution and without creating needless difficulties with the provinces.

• (10:50 a.m.)

The second thing we have to consider—and I am not sure we are capable of doing it—is this. We must take the position that the provision of adequate housing for the people of this country is as important as national defence. We think nothing of automatically providing in our estimates each year about $1.5 billion for national defence. Nobody minds. Nobody worries. Why not do the same for housing? Why not make the same effort to generate resources for the production of adequate accommodation for our people? I propose that for the next five years we so reorganize our financial affairs as to provide $1.5 billion a year for the housing industry.

In order to provide this sum we ought to reorganize our forces. My God, if a war broke out anywhere we would have no trouble financing it; we would find the money somehow. Why not make the same kind of effort to house our people? I know the Prime Minister is going to leave us one of these days. Why not develop this new approach as a great centenary project? The right hon. gentleman would then really exit under full steam. For the first time let us in Ottawa do something properly; let us go all the way in an attempt to provide for our people. I know the minister will get up and announce all kinds of statistics, but this concerns people. We have reached a stage where any young persons marrying today will never own homes as long as they live.

Some hon. Members: Oh.

Mr. Scott (Danforth): The minister of national resources says "Oh". It is true. We have reached a point where both young and old do not have the housing they need. We have reached a point at which the National Housing Act helps only those earning more than $8,000 a year. It is not a national housing act but a national hoaxing act. It was designed to help the little man and it is not doing so.

We have been a complete and abject failure in the field of housing, and one of the best things we could do would be to admit it for a change and try to do something about it. I propose we should begin by providing $1.5 billion a year to help meet the needs of this industry. It would not meet all the need; I realize that, but I believe it is within our competence if we really want to make a national effort. The balance required would presumably come from private sources.

In lending this kind of money we should make sure it is made available for specific purposes. This is the way in which we could influence housing policy without interfering with the constitution. This is what is done at the present time. It is a trite phrase to say the C.M.H.C. are just mortgage brokers. Everyone knows that today by laying down conditions under which money will be lent the National Housing Act tremendously influences the types of houses which are built, their location, their services and everything connected with the housing field.

There is no reason for not carrying this further. Consider land prices. There is no hope of bringing down the cost of land except by land assembly on a massive basis. This could be done under our proposal. A strong initiative is needed in the work of rehabilitating our cities, and in urban development. This could come within the terms under which money is lent. Our failure in the public housing sector has been impressive; there are thousands of people in every city in the country waiting for public housing to be provided. This too could be a term under which money was lent. Housing for old people could also be influenced by the lending terms.

There is really no problem, Mr. Speaker. All that is required is a commitment, an acceptance of responsibility. Four years ago when I first spoke here on housing I said I envied the minister because with a little work he had it within his power to change the face of this country. He has been a failure, and unless he can make a pretty good speech today as far as I am concerned there is no hope for a solution of the housing problem with the present minister still in charge. I say this with considerable regret.

I wish to repeat in capsule form what I have said. The housing crisis constitutes the biggest social problem facing this nation. It is far greater than medicare; far greater than any other, even education. It must therefore be accepted as a matter for national concern, national responsibility and federal action. Second, the provinces are desperate for leadership. They do not object to federal initiative in this area. Having listened to the views expressed at the conference I believe there would be no difficulty about working out provincial agreements and regional programs. Third, there must be federal money available, and if the government wishes to make a commitment there is no reason for failure to find the money. It must be made available on a sustained basis. We must get away forever from the pump priming aspect and accept the opinion of the economic council that a wall must be erected around housing to protect it from the vicissitudes of the market. Until we accept this principle there is no hope of solving Canada's housing crisis.

We must take the initiative to demonstrate our sense or responsibility by creating a ministry of housing and urban affairs. Housing shortage is only a symptom. It is only the beginning of the nightmare of the urbanization of this country. We are not equipped for it and we have no program to meet it. Yet in the next ten or 15 years all our people will live in the cities, and this will create problems of gigantic proportions. There is no point in rehashing the conference. The only time it really operated was when the Prime Minister was in charge. But these are the initiatives we have to take. If we do these things there is some chance in the field of housing. If we do not do them, it seems to me there is no hope.

How does one reach this government? How does one get through to it? I don't know; I have almost given up. But these are the things we must do. I hope this debate will impress upon the government both the tremendous social need and the tremendous urgency.

• (11:00 a.m.)

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, we are dealing this morning with the housing problem, and this debate is limited to three hours. It has been going on for an hour and I am under the impression that we have not yet proposed some means likely to solve this crisis.

If the Minister of Labour (Mr. Nicholson), responsible for the administration of the National Housing Act before the house, has no other statement or suggestion to make than that which the Prime Minister (Mr. Pearson) made a few minutes ago, I think that we will solve very little today, in such a short debate and in view of the Prime Minister's statement.

The Prime Minister said that he wanted to create a federal-provincial council that would deal with housing. Mr. Speaker, there are already quite a number of those boards in various fields. There have been many federal, provincial and federal-provincial inquiries whose sole purpose was to keep the people from getting impatient and to postpone the solution of the problems.

The main reason for that housing crisis is a lack of money to build the houses our people need. I agree with Peter Newman who said in an editorial published in *La Presse*, on Saturday, May 6, 1967, that the trouble does not come from the fact that the construction industry cannot build enough houses but rather from the fact that credit is hard to get and the necessary funds are still in the hands of big financiers who prefer tc build commercial centres and office buildings. The individual who would like to obtain a

loan to build a house is unable to find assistance in financial quarters. Mr. Speaker, I think that it is exactly the point.

A few weeks ago, the government raised the rate of interest for loans granted under the National Housing Act from 7¼ per cent —which was already quite high—to 8¼ per cent, apparently to encourage capitalists to consider the housing problem and to make funds available to builders for the construction of houses. Well, if that was the government's purpose, it did not materialize because what happened was exactly the opposite. The capitalists may have more funds, but can the borrowers commit themselves for 25 or 30 years at such a high rate of interest?

People are thinking seriously before committing themselves, and the demand in the field of housing construction is growing smaller. The solution, in my opinion, would be for the government, through the Bank of Canada, to make credit available to the provinces which request it—the consensus of opinion at the federal-provincial conference on housing was that the provinces want to deal with their housing problems themselves —at a low rate of interest. Those who want to buy a house would then be able to make their monthly payments and pay a reasonable interest rate. Moreover, they could perhaps repay their debt within 15 to 20 years instead of 30 to 35 years and save a considerable amount of money, which would encourage those who want to own their home. As the situation now stands, obviously, it is almost impossible for an individual to buy a house, whatever his age, and to commit himself to pay for it over a period of 25, 30 and 35 years, for it is quite clear that he will never really own his house.

As a result, Mr. Speaker, I think that if the government really intends to solve the housing problem, the first thing would be to make available to the population, at a low interest rate, the necessary credit to encourage home ownership.

When I mention those who have no home, I am thinking precisely of those who would like to purchase a house and who must pay rent. They have a roof over their head, it is true, but the roof does not belong to them and they may be forced at any time to leave such housing for other accommodation which will not belong to them either.

It is clear Mr. Speaker, and social science admits it today, that each family is entitled

[Mr. Laprise.]

to its house and that the role of the government is precisely to see to it that this purpose is achieved.

There is another point I would like to bring up also. It was emphasized by Michael Wheeler in a speech to the annual conference of mayors and municipalities held in Montreal on July 24, 1967. Mr. Wheeler precisely dealt with a very important point nowadays concerning the municipality wishing to develop housing projects. This is precisely what he says:

> Promoters and developers are annoyed by the long delays in land development and the allegedly extravagant standards imposed upon them.

From my own experience, the problems of the small town where I live are the same as those of large cities. New housing projects are needed, but since municipalities cannot afford to undertake them, they must borrow to do so.

All those standards imposed on them result in long delays. For some houses built in our area, we had to fight, so to speak, with the C.M.H.C. I must admit that officials of that corporation have been very understanding and I would not say they have eluded the regulations of the corporation, but almost. Had it not been that those civil servants were most understanding, some forty or fifty houses would not have been built in the municipality of LaSarre. They have now been built thanks to them. Here again, I feel that if the government wanted to be efficient, it would give the municipalities easier access to credit, at low interest rates, so that as soon as requests are made for housing developments, they might give the necessary services to ready them for the new owners.

Here is another important way in which the housing problem might be solved: the cost of houses should go down and the first step towards that would be to remove the 11 per cent sales tax on building materials. This would lower construction costs considerably and thus encourage more working people to own their own home.

Sometimes, the government or other agencies call for the construction of low-cost housing units for low-income citizens. Mr. Speaker, I object to the use of the term "low-cost" to describe the units offered to disadvantaged people. In view of our building materials and labour costs today, it is not possible to build low-cost dwellings that are adequate and fit for human beings.

There is a considerable number of slum dwellings in our cities, towns and rural communities. To build low-cost houses that are financially acceptable to disadvantaged people, we would have to build slums. However, these slums are already too numerous, and there is no need to build more or new ones. Needy people, those in the lower income brackets deserve and have a right to live in comfortable and decent houses, and we should see to it that they do.

Some also want to encourage more people to own their home. There is another reason only eventual owners hesitate to make long-range commitments: the taxes they have to pay. That is an important point which many think about, in my opinion quite rightly.

• (11:10 a.m.)

To correct that anomaly, several suggestions were made during this session. In fact, one of my colleagues presented a motion providing that individuals purchasing or owning a house be allowed to deduct the amount of school or municipal taxes which they have to pay from their income tax. So, as supplementary taxes seem to be levied all the time, I think that only one tax at a time should be imposed, so that people can become home-owners more easily.

I think that the federal government should authorize any Canadian citizen who buys a new one-family dwelling for himself to deduct the property taxes in full for income tax purposes. In my opinion, he should get an exemption for the following expenditures, or rather he should deduct from his taxable income the amount paid on the price of the house and land, including the municipal and school taxes, as well as the monthly mortgage payments, including the interest.

Mr. Pepin: For how long?

Mr. Laprise: Until the house is fully paid for.

In my opinion, such steps would enable Canadians to become quickly the owners of their home without mortgaging part of their income. We know that 100 per cent of the income of most workers, whether they are labourers, miners, lumbermen or workers in the construction field or any other industry and service, goes to discharge the monthly instalments on their house, to purchase furniture or any other item or to pay medical fees. We know that municipal taxes and especially school taxes are liable to go up, I would say, almost every year. Each tax increase means a decrease of income for the taxpayer and the Minister of Finance (Mr. Sharp) recently raised the income tax by 5 per cent. That new increase creates problems for those people because, with a decrease of income, and mortgaged as they are up to the hilt, they cannot meet their numerous payments.

Therefore, I think that steps should be taken to prevent those too frequent increases and I am of the opinion that exemptions on capital expenses of a house would be welcome by the people. Furthermore, if the present Prime Minister took measures of this kind before he leaves the leadership of his party, I am sure that this would meet the wish expressed earlier by the hon. member of Danforth (Mr. Scott), I think, when he said that the Prime Minister would leave the leadership of his party under very favourable conditions, and it would help his successor in his task if he solved that problem.

Mr. Speaker, I do not wish to prolong the debate any further and will close my remarks with the few recommendations made to the Minister of Labour on November 20, 1967. I am referring to the recommendations of the National House Builders Association and more specifically to the most interesting points that warrant mention, and should be recalled to the readers of *Hansard*, and I quote:

1. Lower the initial amount required to buy a house.

2. Reduce the monthly charges required from the purchaser of a house.

3. Reduce N.H.A. mortgage insurance fees and mortgage application costs to a reasonable level.

4. Eliminate the 11 per cent federal sales tax on building materials or pay back the same amount to the home buyer, with provincial governments taking similar steps where needed.

5. Facilitate private and public financing for a greater number of rental dwellings.

6. Ease the terms under which limited dividend homes could be built for low-income families.

7. Find new ways of eliminating high costs of land development, and reducing education financing and community services.

8. Remove all impediments that delay, at this time, the approval of land zoning plans, so as to provide an adequate number of serviced building lots.

Recommendation No. 8 agrees with a statement given by Mr. Wheeler during his speech before the municipal authorities in Montreal, last July.

9. Establish uniform building standards and regulations.

Mr. Speaker, I think those recommendations should be thoroughly considered by the

government, and on the occasion of future federal-provincial conferences, I believe all levels of government would be able to enter into adequate agreements to ensure the welfare of all the Canadian people, in brief, of all future Canadian home-owners.

• (11:20 a.m.)

[*English*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, it has been alleged that the recent housing conference would not bring about the construction of one additional house. I have been wondering whether the debate today will be any more effective in this regard than was the recent conference. In recent times we have had a number of debates in the house on this important question, many questions have been raised on orders of the day, the matter has been constantly brought to the attention of the government and we have been reminding ourselves of its importance, but we still find ourselves in a very difficult situation as far as housing in Canada is concerned.

Food, clothing and shelter are the three basic needs of man, and of course in this debate we are dealing with the third. There has been a growing awareness in the past several years that we would be faced with a serious problem in the area of housing, but as usual the governments concerned waited until the problem reached crisis proportions before making any really earnest attempt to face and try to resolve it.

It is our contention that if positive measures had been taken in the way of monetary and fiscal policies we would not be in the position we are in today. But this was not done, and today we find ourselves in the position of once again discussing this important issue. It has been described as our worst crisis since the depression. This observation was made by Professor A. J. Diamond of the University of Toronto school of architecture. When we view the problem from this angle it should spur us on to the realization that if we are in any way to meet the challenge of the next few years there is no time to be lost; we must move forward with resolution and determination. Even though measures taken may be out of the ordinary, I believe circumstances develop from time to time that make it absolutely necessary to take such measures.

There is no need this morning to discuss the importance of adequate housing to the people of our country. This has been dealt with in various debates in the past. After all,

[Mr. Laprise.]

I think it is one of the basic rights of our people to have access to adequate housing. Housing has a tremendous impact as far as the social problems which face us are concerned. I believe all of us recognize the importance of Canadians having adequate housing. It has also been placed on record on a number of occasions that the housing situation today is very serious. It has been indicated that in order to meet the need in this area, 160,000 or more housing units are required each year. This is necessitated by increased immigration, by the formation of new family units and by the necessity of replacing obsolete and inadequate housing. I believe that substantially more than 160,000 units will be required to adequately meet the problem in the days that lie ahead.

A great many families are living in substandard units today. Many families are living in units that are far too small for the size of the family. In fact, it has been pointed out in recent communications and news articles that some families have no housing unit of any kind. I think this is a deplorable situation in a country that is so blessed with material goods, with everything that is necessary for the construction of adequate housing units. Depite this we find people living in types of accommodation that are far beneath the dignity of any individual in any part of the world.

The United Church of Canada, at page 163 of a book entitled "Canada and its Future", published an article dealing with housing. I should like to read part of it as follows:

> Canada's housing program, both public and private, is a failure. Experts have different opinions on what to do about it. But almost all of them—public enterprisers, private enterprisers and middle of the roaders—agree that the housing program has failed in the following ways:—

I shall indicate what the various paragraphs contain. They are as follows:

> Housing construction is falling behind the population increase.
>
> Housing is not being built fast enough to substantially reduce the backlog of slums and overcrowded dwellings.
>
> Decent housing is too costly for an increasing number of middle income families and poor families.
>
> Public housing exists for only a fraction of the low income families that need it.
>
> At the 1961 census, an estimated 923,000 Canadian households were lodged in broken down, crowded or unsanitary houses or were straining their budgets to the limit and running into debt in order to pay the rent.

I think this is a sad commentary on the housing situation in a country that has been so signally blessed by Providence. It has been suggested that this is not the time to lay blame on any government or agency, but a time when we ought to try to face the problem objectively and realistically and come up with some satisfactory answers. I suggest it is rather difficult to do this in the light of the government's record with regard to housing.

I have stated before in debate that the present government has subscribed to the concept that every Canadian should have the right to live in his own home, or have accommodation that is adequate for his needs, but again we find that the government has been working against itself in trying to implement this philosophy. On one occasion, even though it was to serve another purpose altogether, the government introduced the winter incentive program whereby those who had homes built in the winter months received a bonus of $500. This program had a very salutary effect upon our housing picture, a great many people availed themselves of this provision and had homes built during the winter. However, not very long after this program was introduced the government imposed the 11 per cent sales tax on building materials, which more than offset the $500 winter bonus program.

Then just recently measures were introduced which permitted the interest rate on N.H.A. loans to rise to a maximum of 8¼ per cent. It was pointed out that this would have a beneficial effect in making more mortgage money available for housing. It may have had some such effect, but as far as expert advice is concerned it has not resulted in any appreciable difference in the availability of mortgage money.

• (11:30 a.m.)

In addition the increase in mortgage rates, which we are now told is reaching the maximum, has placed housing beyond the capacity of a great majority of Canadian citizens. So we find that the 11 per cent sales tax, interest rates which are constantly rising, and increased municipal taxes all put together are forcing a great many home owners to sell their houses because they believe it is far more economical to rent accommodation than to build and own homes.

So we find that our policies are working against each other, and instead of achieving the desired result and meeting the need the situation is improving very little, if at all.

It has been pointed out that the great need in this particular area is for money. I do not think there is any shortage of lumber or other types of building materials. As my hon. friend from Vancouver East indicated, there is a surplus of lumber in British Columbia and we who are from that province know this. So it is a matter of money and I believe, in spite of what has been said in days gone by about the necessity of cutting down on expenditures priorities must be established. I do not think we should economize in an area such as housing, which is so important to the welfare of Canadians.

My colleague the hon. member for Red Deer, speaking in debate on October 2 here in the house, pointed out the necessity of establishing a far larger revolving fund. He was checked by the Minister of Labour, who said this had been done. My colleague went on to state that it had to be vastly expanded if it was to meet the particular need at this time. I believe a fund should be established which would provide the necessary capital to enable Canadians from coast to coast, if they so desire, to build their own homes and enjoy the security which only home ownership can give. Some incentives must be provided. The first would be to make capital available at reasonable rates of interest. This was pointed out by my colleague from Red Deer in the speech to which I referred. I would like to quote his statement because I think it is important. This is what he said:

> Even at 7 per cent, Mr. Speaker, a $12,000 mortgage, which we will say is the average mortgage for the average home, will in 20 years cost the home owner more than $10,000 by way of interest, or a total of $22,000. In 30 years the interest charge alone is more than $16,000, or a total of $28,500. But when one takes the present rate of 8¼ per cent one finds that in 20 years a $12,000 mortgage will cost $13,000 more than the cost of the home itself, or a total in excess of $25,000. In 30 years the cost of the $12,000 mortgage at 8¼ per cent, will exceed the cost of the home by $18,000 or a total cost of more than $30,000.

There is something drastically wrong when in order to build and own a home a Canadian citizen must pay the value of his home two or three times over because of interest charges. Either there is something drastically wrong with our legislation dealing with rates of interest or there is something drastically wrong with an economy which forces our people to mortgage 30 or 40 years of their future in order to own their own homes, by which time most of them are so old they do not enjoy them for very long.

We have operated on monetary and fiscal policies in Canada which penalize our people to the point of desperation. So, as I said, we must provide as an incentive some way of obtaining money at reasonable rates of interest, and this should be one of the major concerns of the government at this time. Think about lower income families having to buy homes under these circumstances. I suggest that housing should not be considered as other forms of investment such as commercial investments, and so on, because it vitally effects the welfare and health of our people.

I suggest also that there should be an incentive in the form of grants to those who desire to build their own homes. I have before me the British Columbia *Government News* of January and February, 1967 in which the budget of British Columbia is discussed. I should like to read from this article one of the highlights of the budget, namely:

> Home acquisition grant fund of $25 million set up. The individual grant to be $500 retroactive to April 1, 1966.

So the province is setting up a fund of $25 million called the home acquisition grant fund from which individuals can obtain grants of $500 in order to assist them in home construction and home purchase.

In his statement this morning the Prime Minister referred to the possibility of subsidization in the future by granting some type of assistance to those in lower income brackets for the purchase of homes, particularly in areas of slow economic growth. That is all very well, but I think people should have access to some form of grant no matter where they live, and I suggest that $1,000 or even $2,000 would not be too much for this purpose and would be a good investment so far as the Canadian nation is concerned.

Mr. Barnett: Would the hon. member permit a question? Would he not agree that in effect the proposal of the British Columbia government for a home acquisition grant fund might be considered to be a refund of the sales tax which the government has already collected from prospective home owners?

Mr. Patterson: Does the hon. member mean the 11 per cent sales tax?

Mr. Barnett: No, the British Columbia 5 per cent tax.

Mr. Patterson: I should like to point out that the money to which the hon. member for Comox-Alberni referred is used to cover the cost of the hospitalization program. We have a hospitalization program there for which the people pay no premiums directly. The sales tax is used for that specific purpose, as well as other revenues, and all the people of British Columbia are very happy to have that program at this time.

• (11:40 a.m.)

I suggest also, Mr. Speaker, that in order to assist those who are desirous of having their own homes there should be a depreciation allowance applicable to income tax. This provision is made in so far as business and industrial properties are concerned. If the principle is applicable in those particular areas, why could it not apply to home ownership? I think this is desirable and necessary. I believe it is something that is warranted. We urge the Minister of National Revenue therefore to take this particular suggestion into consideration and endeavour to devise a provision that will permit home owners to enjoy the privileges enjoyed by others in the form of depreciation allowances.

Now, Mr. Speaker, there are many others who would like to speak today, and although there are many other things we would like to see done we do not want to monopolize the time. We do want to impress upon the government once again the importance of this issue, not that they are not aware of it. However, we hope the government will be able to do something positive by way of a solution to encourage home ownership in Canada and provide more adequately for the housing needs of Canadians. I hope the suggestions that have been made will receive careful consideration.

Mr. Ian Wahn (St. Paul's): Mr. Speaker, those of us on this side of the house recognize, of course, that we have a housing problem in Canada. We recognize our responsibility to deal effectively with it. In his remarks the Prime Minister outlined certain of the new initiatives which we are taking to meet the housing problem. The fact that the Prime Minister intervened in this debate indicates how seriously we on this side take this particular problem. In view of the fact that the debate was demanded by the opposition parties it strikes me as a bit peculiar that the Leader of the Opposition and the leader of the New Democratic party have not seen fit to attach the same importance to the subject as the Prime Minister has done.

Mr. Brewin: We have ability all round.

Mr. Wahn: Of course we have a housing problem in Canada. We have a housing problem because in Canada we are growing rapidly. People are flocking to Canada from every part of the world. Our problems, Mr. Speaker, and our housing problem in particular are problems which arise from rapid growth. This is a problem of success. It is very different from the problem which faced members of the opposition when they formed the government. At that time they had no housing probem. The population was not growing rapidly. They had the problem of mass unemployment. They had the problems of economic slowdown. Their problems were problems of failure, not problems of success.

Naturally we would prefer not to have any problems. However, if we have to have problems we on this side of the house would much prefer to face problems arising from our success rather than from our failure. The housing problem we have today in Canada arises from the fact that we have a successful and expanding economy in Canada. People are flocking to this country from every country in the world. During the year 1967 over 200,000 immigrants will have come to Canada. This is quite a different situation from the one which faced members of the opposition when they formed the government.

We are aware of the problem and we accept our responsibility to deal effectively with it. During recent months those of us in this house who represent ridings in metropolitan. Toronto have become more and more alarmed at the rapid build-up of the housing crisis in our own area. I believe I can speak for most Toronto members when I say we have a serious housing crisis there. I don't apologize for using the word "crisis", because that is exactly the right word. Nor do I apologize for emphasizing the situation in Toronto. It is merely an example of the problem which we face in all our large urban areas. It is a problem of national magnitude resulting from our success and an expanding economy.

I do not want to deal in generalities, Mr. Speaker, but in hard facts. In this perhaps I differ from the hon. member for Danforth, who preferred to avoid statistics and instead, in sanctimonious and dismayed tones, levelled harsh and unfair charges unembarrassed by any consideration of our real accomplishments in this field. I prefer, Mr. Speaker, to deal in hard facts, not in unjust accusations.

The hard fact is that at the present time in Toronto, due to our economic success and growth, there is just no housing accommodation available. Our actual vacancy rate in Toronto is at the unbelievably low rate of 1 per cent, the lowest vacancy rate in North America. Our metropolitan Toronto housing registry has 11,000 families on its waiting list, and that number is rising at the rate of 1,500 families per quarter. Yesterday, in this Christmas season, there were ten families including 35 children living in the city's emergency family hostel. At this time last year there was one family. In Toronto city proper—I am not speaking of metro Toronto—out of 185,000 housing units we have only 2,400 housing units geared to income, that is to say, public housing units. A recommended percentage is 8 per cent of the total, or about five times as many as we now have. Since 1962 the city of Toronto proper has built and acquired less than 1,200 housing units geared to income.

In the metro area outside the city proper the record is much better, but far from good enough. In June 1964 there was an accumulated stock of 2,310 geared to income family units. This figure does not include housing for the elderly or student housing. In 1965 we increased this stock by almost 1,100 units. In 1966 the increase was about 1,634 units and in 1967 to date over 1,300 units, for a total increase during the three year period of over 4,000 units. In addition we have under construction over 5,000 units; we have completed loan commitments for 293 and commitments are in process for an additional 635 for a total of 5,955 additional public housing units.

We are doing a great deal, but we have a long way to go to meet our objectives. No one on this side of the house has ever denied that fact. My point is this, Mr. Speaker. Although it is not usually recognized, by far the greater part of this public housing to which I have referred was built under the provision of our National Housing Act under which the federal government pays 90 per cent of the capital cost and undertakes to pay 50 per cent of any operating deficits.

An hon. Member: Big deal.

Mr. Wahn: It is quite clear that the federal government has borne by far the largest financial responsibility in this field. As members of the opposition have said, it is a big deal and it is a good deal. We believe it is right that the federal government should bear this responsibility in this field. Canada is not a group of independent provinces,

loosely federated. It is a modern, dynamic, young but rapidly growing nation which must have a national housing policy. The Toronto housing crisis is not caused by local conditions or by internal growth. As I have said, people are flocking to Toronto from every part of Ontario, from every part of Canada, from every part of the world. During the last six years one quarter of all immigrants to Canada have come to metropolitan Toronto. No wonder we have a housing problem, Mr. Speaker.

• (11:50 a.m.)

Clearly this problem cannot be solved entirely at the municipal or the provincial level. We recognize our responsibility and are doing something about it. The housing problem in Toronto, I repeat, is not a local problem, nor is it an isolated problem. It is just one aspect of the national, indeed the global problem with which we have to cope resulting from the inevitable growth of great urban areas. Such development gives rise not only to housing problems but to the closely related problems of the disposal of sewage and waste products and the pollution of water and air.

All these, Mr. Speaker, are major problems which result from our rapid growth which in turn stems from the very success of our efforts in Canada. It has been estimated by some that by the end of this century almost half of Canada's population will live within 50 miles of Toronto and Montreal unless effective action is taken to stop the present trend.

Mr. Chatterton: Would the hon. member permit a question. If the housing crisis cannot be solved in good times, when will it be solved?

Mr. Wahn: Mr. Speaker, that question really does not make much sense. We are making rapid progress and we will continue to make rapid progress. The facts I have mentioned make it entirely clear that there is a certain federal responsibility for housing and that we must have a national housing policy. But we cannot overlook the fact that the provinces and the municipalities have their responsibilities as well.

Mr. Scott (Danforth): Would the hon. member permit a question. Are we to take it from his remarks that what he is really saying is that we are all so prosperous that we cannot afford housing?

[Mr. Wahn.]

Mr. Wahn: Mr. Speaker, I am sure the hon. member for Danforth recognizes that that is not the proper interpretation to put upon my remarks. There is a clear federal responsibility in the field but, as I say, we cannot overlook the fact that the provinces and the municipalities have their responsibilities as well, and we cannot completely disregard them.

In the last housing debate in this house in September the hon. member for Brome-Missisquoi and the hon. member for Danforth, who participated again today, urged us to proceed full speed ahead. There would be no difficulty in getting co-operation from the provinces, they said. As reported at page 2611 of *Hansard*, when referring to the policy of his own party, the hon. member for Brome-Missisquoi had this to say:

> There was also no doubt in our minds that housing was a national consideration and concern—
>
> Let us be clear now that while we require the co-operation of the provinces and the municipalities the ultimate responsibility for housing, or the lack of it, rests with the federal authority.

What did the hon. member for Danforth say, Mr. Speaker? In prophesying what would be the attitude of the provinces he had this to say, as reported at page 2597 of *Hansard*:

> Housing is of national concern—

I agree with that.

> —no matter under whose jurisdiction it lies. The people in the provincial governments are eager to co-operate with the federal government. They are looking for help, leadership and co-operation. They are not worried about the B.N.A. Act; they are worried about their people.

Since that time, Mr. Speaker, we have had federal-provincial co-operation, and what false prophets hon. members opposite have proved to be. The provincial leaders were anxious to co-operate all right; they were anxious to co-operate in receiving federal funds but not prepared to tolerate any further federal initiatives in the field of housing.

Mr. Scott (Danforth): Mr. Speaker, I rise on a point of privilege.

Mr. Wahn: Mr. Speaker, I will be prepared to answer any questions—

Mr. Scott (Danforth): I am rising on a point of privilege.

Mr. Deputy Speaker: Order. The hon. member for Danforth (Mr. Scott) on a point of privilege.

Mr. Scott (Danforth): Mr. Speaker, I cannot permit that type of distortion to remain on *Hansard.*

Mr. Deputy Speaker: Order, please. There is no point of privilege about a disagreement of fact. The hon. member for St. Paul's.

Mr. Scott (Danforth): With great respect, Mr. Speaker, it is not a matter of fact. The hon. member has quoted a previous speech of mine and has placed a completed distorted construction upon it. Surely that is a matter of privilege. He quoted a previous remark of mine to the effect that the provincial governments came to the conference in an uncooperative manner. That I have never said. We all know, even if the government will not admit it, that the conference died because there was no leadership from the government.

Mr. Deputy Speaker: Order. The hon. member for St. Paul's.

Mr. Wahn: Mr. Speaker, I should merely like to point out that I did not say the provincial leaders came to the conference in an unco-operative mood. On the contrary, I said they came to the conference prepared to co-operate and to accept federal funds, but not to tolerate any further federal initiatives in the field of housing. I think that is a statement of fact. I sat through the conference.

In the result, Mr. Speaker, it is entirely clear that the federal government was right in its decision to concentrate available federal housing money in areas of greatest need. In 1968, as announced at the conference, there will be no federal money for speculative building but federal money will be increased by $150 million over 1967 in the areas of greatest need, that is to say in the areas of housing for students and senior citizens, limited dividend housing under a new limited dividend housing policy, urban renewal and, most important of all at the present time, public housing.

The hon. member for Danforth urged what might be called a five or six point program of which the main proposal seemed to be the establishment of a new department of housing affairs. There may be some merit, Mr. Speaker, in setting up a new department of housing, but at the present time I do not think a new department of housing would add a single housing unit to our housing stock. We have a crisis, and more effective action is needed than the creation of an additional department at additional public expense.

Federal money will be available for public housing. As has been pointed out on numerous occasions, no legitimate application for public housing funds has ever been refused by C.M.H.C. More money will be available for that purpose this coming year than in 1967. But that is not enough. The federal government must continue in the future, as it has in the past, to develop new initiatives and programs. The Prime Minister outlined certain of these which are now proposed. We must induce the provinces and municipalities to use effectively the money, which certainly is available, to provide the housing which we in Canada undoubtedly need at the present time.

Hon. George Hees (Northumberland): Mr. Speaker, I intend to take up a very short time because there are a number of members of the house who desire to speak and to make useful contributions. I will speak for but a few moments.

The Prime Minister told us that by the end of this year we can expect to have made no more than 160,000 housing starts. According to Dominion Bureau of Statistics figures, during the second quarter of this year the number of housing starts was at a seasonally adjusted rate of 192,000 for the year. In the third quarter of this year the number of housing starts was down to 178,000 for the year, seasonally adjusted. We have now dropped to 160,000 on the admission of the Prime Minister this morning. In other words, in the past six months housing starts have been reduced by 17 per cent. The number will be 4,000 less than two years ago. The hon. member for St. Paul's has just told us that the government was making progress. It seems that the Liberal government's idea of progress, Mr. Speaker, is to construct less and less and less and less housing.

• (12 noon)

These figures represent a shameful admission of failure on the part of the government. This is no more than a housing policy in reverse. We are going steadily backward. We shall produce at least 30,000 fewer houses than the minimum number the Economic Council of Canada has said should be produced in order to provide for the housing needs of Canada in one year. We shall, because we are going in reverse so far as house production is concerned at the present

time, produce less than 160,000 houses next year.

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

Mr. Hees: At the end of my remarks I shall.

Mr. Rapp: At the end of the speech.

Mr. Hees: At the end of my speech I shall permit questions. When the Prime Minister spoke this morning he tried to minimize the catastrophe which the housing conference two weeks ago was. It is well known that the cabinet was divided on whether a conference on housing should be called. Many in the cabinet believed that the conference should be held at the officials' level and that there was not sufficient information to pass along to the provincial premiers for a full-fledged conference involving the Prime Minister, the provincial premiers and federal government ministers to be called.

The Minister of Labour (Mr. Nicholson) persuaded the cabinet that the conference should be held. Typical of the descriptions of this conference, which appeared in nearly all the newspapers of this country, was the one written by Mr. John Dafoe in the December 15 issue of the *Globe and Mail*. The column is headed, "The Housing Talks Fizzled While Homeowners Burned". I shall read only the first paragraph because it describes the situation adequately:

> This week's federal-provincial conference on housing probably came closest to producing unanimous agreement of any conference in recent memory. Almost everybody agreed that it was a flop.

Then he describes in detail what kind of flop it was and why it was a serious mistake to have called the conference in the first place. In my opinion, the speech which the Prime Minister delivered at that conference must have been prepared by someone who works in the Department of Labour. The Prime Minister must have delivered it without having read it first; otherwise I do not think he would have made the speech. It was not a speech that an intelligent man would have made.

At the end the main suggestion for solving the housing crisis was that another committee should be formed, another consultative council which from time to time would report to the provincial premiers and provincial governments and advise them of the housing situation. The provincial premiers who came here, Mr. Speaker, are fully conversant with the housing problems of their provinces. They wanted leadership from the federal government. They wanted to hear the government's housing policy. These busy men took time out from their other duties to come to the conference, and when they got to it they heard the Prime Minister say that the problem would be solved by appointing yet another committee. This is a government of committees, Mr. Speaker.

Mr. Nielsen: And task forces.

Mr. Hees: This government does not know how to make decisions. It has had a committee deliberating a matter that has been discussed by many other Canadians for the past five or six years. I refer to the question of foreign investment. That committee cannot make up its mind. At some time in the future we will hear the result of the deliberations of yet another committee.

When the provincial premiers heard the Prime Minister make his speech that day—and I talked to a number of them—they did not know whether to laugh or cry. It was the most pathetic performance, they said, that they had seen in many a long year at Ottawa. This is the kind of performance we are getting from this government. It is inexcusable having this kind of flop with respect to housing; in fact, it is very serious indeed. But it would have been a catastrophe if such a fiasco had been perpetrated on the busy premiers who spent three or four days at that most important conference which took place in Toronto, a conference conducted under the auspices of the premier of Ontario, a conference that will produce something concrete. These busy premiers came here hoping for an answer to the housing crisis and they got absolutely nothing.

When the conference ended on the second of its proposed three days, only two of the ten premiers were still in attendance. The second day of the conference was like the second night of a bad play when there are very few people in attendance.

Some hon. Members: Hear, hear.

Mr. Hees: The housing conference was a fiasco. What we in the opposition are afraid of is that if the housing conference could be such a flop, what will happen to that conference which is to be held at the beginning of February to deal with the most important matter that this country has probably ever dealt with, the constitutional crisis. If at the coming conference we see evidence of the

same lack of preparation as was evident in the housing conference and if fatuous speeches are made by ministers of the government, the constitutional conference will prove to be a calamity from which this country may never recover. I say to the government, for heaven's sake, pull up your socks. Act like a government. Stop perpetrating fiasco after fiasco on this country. Let us see some leadership or, for heaven's sake, move over and let others who can give leadership take office.

Mr. Lind: May I ask a question?

Mr. Hees: I shall be glad to answer all questions a little later, Mr. Speaker. I should like to continue my remarks, if you do not mind, sir.

I want to say a word about our two northern territories. When the Prime Minister spoke this morning he said, quite rightly, that a great deal of the responsibility for housing rests on the shoulders of the provinces. They carry out the actual policies. Our two northern territories face a grave housing crisis, as grave as that in any province. The territories were not even invited to the housing conference. They wanted to be invited but because of problems of jurisdiction they were left out. That was one of the results of calling a conference without being better prepared to deal with the subject. The government did not have the courtesy and good sense to invite to the housing conference representatives from our two northern territories in order that they might inform the government of the problems of the territories and in order that the government might become conversant with the housing problems there. I say that those territories ought to have been represented at such a conference in order to have been able to bring forward their problems.

One of the principal difficulties facing house construction is the high cost of money as represented by high interest rates. This government must get its financial house in order, control its expenditures and restore public confidence.

Some hon. Members: Hear, hear.

Mr. Hees: What is the record of the government in this regard? Since taking office just four and a half years ago the government has increased government expenditures by no less than $3 billion, or 47 per cent. That is a fantastic performance in overspending the public's money. The government has had to go to the bond market many times, far more often than any government in the past. The Canadian people have seen the government returning time and again to the bond market and have held back from buying the bonds that the government has issued from time to time. Members of the public have known full well that if they wait for the next issue or the one after that they will be able to demand a higher rate of interest on the money they lend. This has driven interest rates up. It has made mortgage money in short supply. It has driven building costs up and made it almost impossible for many Canadians to obtain the housing they need.

What has the government done to put its financial house in order and to cope with this situation? It has done absolutely nothing. The Minister of Finance (Mr. Sharp) the other day told us several times that he intended to bring about drastic cuts in the present budget. I am speaking of the 1967-68 budget. He told me that when the Minister of National Revenue (Mr. Benson) spoke he would announce what cuts were to be made. You and I know, Mr. Speaker, that the Minister of National Revenue did not mention once in his speech any cut that the government intended to make in its 1967-68 budget. What was said by the Minister of Finance was a complete misrepresentation of the facts. Nothing in that regard has been done up to the present time. Nothing is being done to cut expenditures between now and when the next budget is presented in April.

We have the ludicrous assurance by the government that they intend to take the extraordinary step of cutting $1.2 billion from government expenditures. Every member in this house who has served as a minister knows that when a budget is prepared every department brings forward everything that it wishes to do for the public. They are all good and desirable measures. They place them before Treasury Board and then it is determined whether the government can afford to carry out all these measures at that time. Invariably the government cuts off about $1 billion in proposed expenditures because there is not enough money to do everything. This is nothing new. The government has done nothing new.

Mr. Nielsen: It is a fraud.

• (12:10 p.m.)

Mr. Hees: It is simply fraud. The government has done nothing to cut real expenditures or to restore public confidence in its financial responsibility. As an example, in

the first seven months of this year—and these are the only available figures—the government has increased expenditures by no less than 15 per cent. I say in conclusion—

Some hon. Members: Hear, hear.

Mr. Hees: Yes, I realize that hon. members on the other side are glad to hear that I am about to finish my speech because they do not like what I am saying. As the old saying goes, it's music to the gambler's ears to hear the suckers roar. That is what they are doing, and it is music to my ears. They do not like what I am saying because I am telling them a few hard truths. I say, let the government get its house in order, cut expenditures, revive confidence, bring interest rates down as a result, and enable the Canadian people to acquire the houses they need to put over their heads.

Hon. J. R. Nicholson (Minister of Labour): Mr. Speaker, I must say that I heartily welcomed this debate in the hope, perhaps unwarranted, that not only constructive criticism but some constructive suggestions would be forthcoming. As I have said more than once, I think criticism is necessary on occasion and that where warranted it should be forthcoming without any punches being pulled; it should come not only from the opposition but from the news media and any other sources which can make worth-while contributions.

In the light of the actual facts, however, I must say I have been perturbed not only by the nature of some of the debate which has taken place this morning but by some of the press comments which followed the housing conference. Some of the criticism may well have been justified. The conference probably would not have been a success if some criticism had not emerged. On the other hand, after hearing views loudly voiced by people who were not at the conference and by others who did not take the time to inform themselves adequately of the facts, I think it might be prudent at the outset of my remarks to refer briefly to the reasons the recent conference was held and the nature and extent of what actually took place there, so that these matters can be kept in proper perspective and adequately set down in the records of this house.

Mr. Hees: Was Premier Robarts not at that conference?

Mr. Nicholson: Yes, he was, and I shall have something to say about that in a moment. Last March, speaking about the importance of inter-governmental co-operation in all branches of governmental activity, the Prime Minister had occasion to refer to housing. He said at that time:

> This is an area where the primary constitutional responsibility for action lies with the provincial and municipal governments, but in which all governments must work together.

He then went on to say:

> Certainly the federal government cannot ignore the rising dissatisfaction among Canadians with our urban environment not only as to the availability of adequate housing for everyone but as to the human equality of our community development.

Hon. members will also recall that in the speech from the throne read in May it was announced that the federal government proposed to consult with the provinces on problems and prospects in connection with housing and urban development. The conference was called against this background. The Prime Minister has referred to the letter which went out to the provincial premiers inviting them to meet to discuss problems of mutual interest. These invitations were extended to provide for the first time in Canada's history an opportunity for an exchange of views on this critical and, perhaps I should say, very sensitive subject. This was the objective of the conference and it was so set out clearly in the letters of invitation which went to the provincial premiers.

Mr. Nielsen: Not all governments received them.

Mr. Nicholson: All provinces received them. The conference was designed to stress the need to pool our thinking in planning for the future and this was made clear in the advance publicity. It was pointed out that money was not the only consideration but that other major problems were involved and other challenges had to be met if we were to make urban Canada the attractive environment we would wish to see.

This becomes all the more urgent when we realize, as has been stated in this house more than once, that within a relatively few years, 12 or 13 I believe, 80 per cent of the people of this country will be living in fewer than 30 city or metropolitan areas and that one-third of the people will be living in three metropolitan areas. In these circumstances we thought it was about time that a conference on housing and related matters should take place.

Unfortunately, since that conference there has been a great deal of loose talk and loose writing about the premature termination of those meetings and a certain provincial premier walking out. Remarks of this sort were made this morning by the hon. member for Northumberland (Mr. Hees), who does not know what he is talking about because he was not there. The conference did not collapse. On the morning the conference opened, the Prime Minister was advised by at least two of the heads of provincial delegations that they hoped it would be possible for them to get away on the evening of the second day rather than have the conference extend to a third day. With this in mind we extended the length of the sessions on both days. On Monday we not only sat until 5.30 in the afternoon but we also had a very important evening meeting which was not on the original agenda. At that meeting we discussed housing in rural areas, one of the items which would normally have been discussed on the second day. The hours were also extended on the second day. By agreement the conference opened at 9.30 a.m. and we sat until about 7.20 p.m. in line with the expressed wish of heads of delegations.

• (12:20 p.m.)

The suggestion that all premiers walked out is absolutely absurd. One provincial premier did walk out but I understand he walked out to revise notes he had prepared. They were quite different from the ones he tabled at the beginning of the conference. I say the conference did not end prematurely. It ended having sat roughly the same number of hours that were originally contemplated would be spent and it ended with a very useful discussion in which the leaders of some of the provincial delegations who had a special interest in rural housing took part. The conference sat until approximately 7.20 p.m. on the second day. The premier of Nova Scotia had to leave about 6.30 because he had an appointment with the Prime Minister, but he took an active and helpful part in the discussion until he left. The representatives of Newfoundland and British Columbia, the premier of Prince Edward Island—they were all there as well as others taking part in the discussions.

It is more important, in my opinion, to talk about what was actually accomplished than it is to talk about failure or collapse. There were two concrete, positive achievements at the conference. First, as mentioned by the Prime Minister this morning, there was general agreement among all ten provinces with the four broad and very significant proposals put forward by the government of Canada in its wish to assist in meeting the long-range challenges that confront us. These four items will appear in *Hansard,* since they were referred to by the Prime Minister in his remarks this morning. The second one, however, federal financial support for land assembly and development of comprehensively planned new suburban communities within urban regions, warrants a supplementary word because we are making progress in this very important field.

In answer to a question put to me in the house on Monday I referred to the very effective work being carried on by Central Mortgage and Housing Corporation and the Ontario Housing Corporation in the development of a federal-provincial land tract at Malvern. This is a very strategically located and valuable tract of land, and the project shows what can be done if federal-provincial partnerships are to be effective. It has a potential of a highly desirable community of 30,000 or perhaps 32,000 people, with schools, churches, supermarkets, houses, and industries. It will be a suburban community or, if you like, a satellite community similar to several such successful communities that I have seen in England. Progress had been made on this project before the conference opened. We want to see more of the provinces undertaking this type of thing, and we want to see more of this activity in Ontario.

Mr. Brewin: Would the minister permit a question?

Mr. Nicholson: At the end of my remarks. In the editorial aftermath of the conference it came through loud and clear that although the federal government had put forward these four progressive, important proposals, all of which were accepted by the provincial delegations, the federal government, according to editorial comment, did not seem to have the funds with which to implement them. What failed to emerge in even a single newspaper that I have read or in any news comment that I have heard was the fact that the government of Canada had already indicated that it was and is prepared to commit to Central Mortgage and Housing Corporation, for investment in 1968, funds substantially in excess of those budgeted for 1967 in these areas of greatest need, including those to which I have referred.

Mr. Scott (Danforth): How much more?

Mr. Nicholson: I will deal with that in a minute or so. The second encouraging development arising out of the discussions last week was the agreement reached on a form of continuing study and assessment of the problems, to which reference was made this morning by the Prime Minister and other hon. members.

Criticism, Mr. Speaker, is always welcome if it is criticism of the right kind, and I will gladly accept some criticism here. Possibly it is deserved, probably it is deserved in some respects, but when people with a relatively superficial knowledge of all the factors that come into play in the current housing situation pose as experts, just like people who make a one week visit to Europe or Japan and return as experts on those countries—

Mr. Nielsen: Or the north.

Mr. Nicholson: —or the north, then I think we who have the responsibility should take issue with their superficial criticism. Many writers suggest in a superficial vein that the government has not provided effective leadership, or the leadership demanded by the circumstances. I would like to dispell that myth once and for all.

Mr. Scott (Danforth): That will be a good effort.

Mr. Nicholson: And you will get it. This year housing starts throughout Canada will reach about 160,000, some 26,000 units above last year's total, the fourth largest number of unit starts in any year in Canada's history. The largest was in 1965, the second largest in 1964 and the third largest in 1958.

But that figure of 160,000 for 1967 starts does not include new housing accommodation that takes a form other than self-contained dwelling units. For example, much has been done to provide needed housing in the form of hostel accommodation in our large cities. Approval has been given in this year, 1967, to the provision of hostel accommodation for approximately 10,000 elderly people and students. Taking these into consideration, 1967 has been a record year for starts in housing accommodation, and this in spite of the fact that we had relatively few starts in the first quarter of the year. It has been achieved virtually in a period of nine months.

Having said that, Mr. Speaker, I would be less than candid if I failed to express disappointment about some of the things that happened, or rather failed to happen at the recent housing conference. There was provision on the agenda for the discussion of a large number of urban problems that fall mainly within provincial jurisdiction. Some of these problems—pollution, urban traffic congestion, suburban resistance to low cost residential development, urban land costs, and the fragmentation of urban government planning—were on the agenda for discussion. One or two of them were discussed, but not in great depth.

I myself drew attention to these problems, as did several of my cabinet colleagues. I did so on at least two occasions, but to say the least it seemed to some of us that at least some of the heads of provincial delegations were not too anxious to discuss these sensitive matters. They seemed to feel that the federal government should not take anything but an academic interest in these questions.

One might conclude from some provincial comment made at the conference that these problems are well in hand, but I can assure hon. members, having lived with these problems for a number of years, that they are far from being well in hand. To give one instance, in the province of Ontario in certain circumstances you have to go through 42 different agencies in order to get permits to proceed with building of housing. It may well have seemed silly to one provincial premier to have a conference about questions where so much of the responsibility lies heavily on the provincial governments, but in my opinion certainly not nearly as silly as refusing to take advantage of the opportunity to discuss what could be done to bring down land costs, which is the largest single factor in housing in this country, particularly in our metropolitan areas. They did not try to come to grips with that problem.

• (12:30 p.m.)

Housing is not just the problem of land assembly, because some encouraging progress is being made in some of the provinces in this field. More important than that is the problem in respect of the taxation structure and procedures. Surely the provinces should come to grips with the type of problem which was developed by reason of the fact that at the end of the war, or five or ten years following the war, entrepreneurs or land developers picked up lots for $1,000 to $1,200 and are now selling them for $10,000, $12,000 or $15,000 without any tax being involved. The representatives of the provinces should not

have been afraid to state their position openly in this regard before the television cameras here in Ottawa.

Believe me, there are many difficult, complex and massive problems which confront us with regard to the growth of our cities. If there is a reluctance on the part of some of the provinces to go beyond the exercise of their primary constitutional jurisdiction and reluctance to discuss the plans they have for exercising their prerogatives, then something is wrong and this is where the conference failed. If it failed it was because it was a federal-provincial conference and at such a conference one must expect contributions at both the federal and provincial level.

Mr. Scott (Danforth): They did not get any from you.

Mr. Nicholson: They may not have, in your opinion, but I must say, however, that we did put forward a few good views which they accepted. To put it in its simplest terms, while 1967 may not have been as big a year as all of us who have given serious thought to this problem would have liked to see it still was a big year in respect of housing in Canada. The significance of the government's leadership or, if I may put it another way, government action is manifest not only in the total volume of housing production for the year but in the fact that the proportion of accommodation for low income families and elderly citizens is considerably higher than ever before.

Some hon. Members: Hear, hear.

Mr. Nicholson: Indeed, housing for those whose needs are the most urgent has become such an important part of our total housing program that there is now available to these families a record number of dwellings. This has become more and more important. In my opinion there is nothing more important than the provision of homes for those who face difficulty in building their own homes and those who cannot relate a home of their own to their limited incomes.

Undoubtedly the most acute problems associated with rapid urbanization in Canada are being experienced in the province of Ontario. In that province, dwelling starts in Toronto in 1967 will set a new record over any other year. Perhaps we should do more, but do not say that we are not making any progress when we have moved from the low level of 1966 to a record level in 1967. About 50 per cent of these starts in Toronto were financed under the National Housing Act. Close to 10 per cent represent accommodation for low income families, elderly citizens and students. In metropolitan Toronto alone more housing units will be started this year than the 32,000 produced in the record year of 1965 to which reference has been made.

While filling the leading position as the source of N.H.A. mortgage financing for accommodation produced on the market, the federal government has also been called upon throughout 1967 to increase sums for more specialized forms of housing such as public housing, housing for the elderly and housing for students. I should like to make clear that not only has there been no curtailment but also there has been no refusal of applications for funds for use in this way. We have every confidence that there will be an increase in 1968 of approximately 50 per cent in allocations of this nature. Listen to these figures. Ten years ago parliament voted some $35 million a year for public housing. When it became my responsibility to answer for Central Mortgage and Housing Corporation in this house its total annual budget was $350 million. Only a niggardly portion of this was used for public housing, because the initiative in these fields rests at the municipal and provincial levels. There has been, however, a remarkable change as a result of the legislation passed by parliament in 1964, which I had the honour to introduce.

In the area of public housing alone in the year 1967 approximately 9,000 units will have been authorized. This is more than double the number in the year 1966. I would have liked to see twice that number, but we are making encouraging progress in that direction. What has been done in the year 1967 represents in one year one third of the total number of public housing starts provided in the whole of Canada in the last 20 years. I believe that is a record for which I do not have to apologize.

Some hon. Members: Hear, hear.

Mr. Nicholson: Public housing for low income families, for the elderly and for students is now a very significant part of Canada's annual building program and, as has been said by the Prime Minister, can be expected to have an even greater impact in 1968 and in the years ahead.

I should now like to review the prospects for the coming year in terms of anticipated federal financial commitments for housing programs which will continue under current

provisions of the National Housing Act. As I have already said more than once, we expect that the freeing of the interest rate on insured home-owner and rental loans will provide necessary flexibility and result in greatly increased participation by approved lenders. Having in mind the comment made by the hon. member for Fraser Valley (Mr. Patterson) this morning, I should like to put this on the record. He said hopes had been expressed that there would be improvement in the number of loans under the N.H.A. I am glad to assure the house that in a period of just under 90 days there has not just been a hope of this happening but rather in October and November by means of N.H.A. loans four times as many dwellings have been started than in the corresponding period of last year—four times as many.

At the conference last week the Prime Minister stated that we were following this situation and that if we did not obtain satisfactory results we might have to take other action. There is not the slightest doubt that we are now getting these results. Anyone who believes in free or private enterprise will realize that if they can obtain a certain interest rate from a company which wants to build a factory, a pipe line, an office building or a warehouse, they are not likely to put this money into housing if the interest rate in respect of housing is one per cent or half a per cent lower. I think we did what was the realistic thing to do. We did not fix the interest rate at 8¼ per cent. We did what parliament authorized and said that approved lending institutions—and they have to be approved before they can obtain the benefits of the act—could make loans at an interest rate up to that ceiling. I am happy to say that some of the lending institutions, including insurance companies and at least one of the larger banks, are lending money at an interest rate substantially below the ceiling, one half of one per cent below.

• (12:40 p.m.)

This flexibility is bringing more money into the field of housing and accounts in part at least for the fact that the last nine months of 1967 we have had a record period for housing starts in Canada. In addition, the government is making more money available in the areas of greatest need, for public housing and projects of that kind. Not only the proportion but the level of commitments in these areas of greatest public need will increase. At the same time—I want to make this clear for the record at this time—that not only will there be more funds available for the areas of greatest social need but a substantial sum has been earmarked for 1968 for those who wish to build their own homes and may not be able to arrange financing through direct loans.

We have cut back on speculative builders' loans, those who build for profit. Let them go to the private lending institutions to borrow money and make their profit in the usual way. There is nothing wrong with that in a country like Canada. There has been and will be in the rural parts of Canada greater difficulty in getting loans from the traditional lending institutions because they do not have offices and inspectors there, so C.M.H.C. will have funds available for direct loans to people who want to build their own homes.

Reference was made this morning, and I referred to this matter during the conference, to the revival of the limited dividend program to provide rental housing for moderate income families. Provision is being made for a renewed, a wider, program of this type. This program, as I am sure most hon. members know though others may not, was very successful in the first few years of its operation. Today, however, if you have an income of more than $5,400 in some areas—I think it is $5,500 in one—you are not eligible to acquire a house under the limited dividend program. The program is tied in with one's income. The private speculator puts up a portion of the money and C.M.H.C. is prepared to finance the balance, but the return to the private speculator is limited to 5 per cent. This is not very realistic when you realize that in Ontario the rate on government loans is about 7½ per cent, in Quebec it is about 7½ per cent and in my own native province of New Brunswick it is 7½ per cent. The federal government is paying about 6 per cent. Therefore a 5 per cent interest rate is realistic in respect of limited dividend housing.

We propose to make changes by way of regulation or legislation, if necessary, to put the limited dividend program back into effect. C.M.H.C. is now ready to receive applications from entrepreneurs, land developers, builders or anyone else. This money will be available on attractive terms that are being widely announced throughout the country, which I believe will put this program back on its feet. It may take time to get limited dividend projects under way on the scale we would like, because it must be

remembered that the program has been inactive for years and it will take a little time to revive it.

One of the major areas of investment of federal funds in 1968 will be loans to provinces and municipalities for public housing projects, land assembly for housing, sewage treatment plants, and this type of project. There was a slight disagreement at the housing conference between the prime minister of Quebec and myself with regard to amending the legislation, but when I explained to him that the federal government was quite prepared to recommend to parliament that funds be made available for the acquisition of land for housing, provided it would not be held by the province for 50 years and would not become the property of the province, with the taxpayers of Canada paying the shot and the asset being turned over to the province, the disagreement was resolved. We will make loans for these projects on a short term basis of 10 or 15 years at low rates. This money will be available to provinces who wish to acquire land for housing. There would be no profit in it. The prime minister of Quebec said that was fine, that was what they were asking for, and I got the nicest note anybody could get from the prime minister of Quebec when he left the conference. And he did not leave before the conference was over. Admittedly he did not stay for the discussion on rural housing but he stayed right through until that item came up. He left his minister or officials behind to participate in that phase of the discussion.

We are prepared to listen to any reasonable requests. In fact, we have discussed with several of the provinces, including Ontario and Quebec, what funds we will make available out of the C.M.H.C. budget for 1968. We discussed with them what they might reasonably expect to need during 1968. The representatives of those provinces both went away satisfied with the assurances we had given.

Mr. Nielsen: Mr. Speaker, is the minister prepared to say anything more about the intended program for speculative building?

Mr. Nicholson: I can only say that it is not the government's intention at this time to introduce any speculative lending program for 1968. The requirements for money for public housing were $35 million a few years ago. They are now nearly $350 million for the year 1966-67 and they will probably exceed $500 million for the year 1968. This is the reason; it is as simple as that. If we are to make provision for the money needed for public housing, student housing, land assembly and urban renewal in areas where urban renewal is vital, we cannot put money into speculative building, much as I might like to.

Reference was made, again by the hon. member for Fraser Valley for whom I have very high regard, to the winter building bonus of $500 but there is one thing that the hon. member overlooked. He referred to the $500 winter house building bonus that was instituted in 1963. This bonus was paid on each unit built during the winter months and was carried on through the winters from 1963, 1964, and 1965, dropped last year.

I would like to make this clear so there can be no dispute about it. The $500 bonus would have been largely meaningless had it not been for the almost unlimited funds that were made available to speculative builders who were building for profit. They were building on speculation and the federal government was providing the funds for that purpose. If it is a choice between providing funds for that purpose or for areas of greater need, we certainly will go to the areas of greater need.

Our policy in this respect seems to be working. There is a reasonable level of interest rates. If with our concentration of effort on public housing and allied problems we do not obtain the results we expect, I am not prepared to say that we will not take another look at the speculative lending program, but our present program does not contemplate any speculative lending for 1968.

Mr. Gilbert: Mr. Speaker, I wonder whether the minister would answer a question?

• (12:50 p.m.)

Mr. Nicholson: I am nearly through, Mr. Speaker. I should like to complete my remarks.

Mr. Gilbert: Can the minister say whether the government is prepared—

Some hon. Members: Sit down.

Mr. Nicholson: I should also inform hon. members and the Canadian public that provision is being made for greater activity in the important urban renewal program. If one is to proceed with intelligent planning in the use of public funds for such purposes in cities such as Halifax, Saint John, and even some of the smaller cities in the Atlantic region, and certainly the cities of Quebec,

Toronto, Hamilton, Vancouver and elsewhere, one cannot ignore the problems which arise out of the regeneration that takes place when some of the slum or near slum areas have been or have to be improved.

Last week I picked up a beastly cold, a form of pleurisy, when I was in Winnipeg attending a public housing ceremony, but it was worth it. At one time the area in which the ceremony was held was one of the worst slums in the prairie region, and the hon. members for Winnipeg will agree with me on that I am sure. They will remember the deplorable Jarvis Street slum in Winnipeg. Five years ago one was not safe going along that street. After it was torn down a housing project was built into which the people living in the former slum were moved and for which 75 per cent of federal funds were used and 25 per cent of provincial and municipal funds. Last week we opened up on this former deplorable slum area one of the finest public housing projects in Canada which will provide accommodation for 1,100 people. That is the type of work to which we should allocate more and more funds rather than for certain other purposes.

To the extent that provincial governments are willing to respond to our offers of financial assistance, the capital budget for Central Mortgage and Housing Corporation in 1968 will provide approximately $500 million for these special purposes to which I have referred, compared with $250 million allotted for 1967. I was able to persuade my colleagues in the cabinet later to stretch this sum to $335 million in 1967. Next year will be more than double this past year's figure. In view of these facts how can anyone seriously suggest that we have pulled out the props?

Mr. Speaker: Order, please. I regret to interrupt the minister but the time allotted to him has expired. Has the minister leave of the house to continue beyond his time?

Mr. Knowles: Yes, provided he will answer a question or two.

Mr. Nicholson: I will be glad to do so. However, let me ask: How can people who have done any research in this field, and primarily those in the news media who were not in attendance at the meeting, seriously suggest that the props were pulled out in the light of the facts that I have just mentioned?

In summary, I can assure hon. members of substantially increased federal response to provincial and municipal needs in meeting all of the problems of urban development for which the current national housing legislation is designed to provide assistance. The new kinds of federal assistance, as I have said, require some amendments to the National Housing Act. As the Prime Minister has stated, they will be introduced at an early date in the new year.

In closing I should like to express my sincere appreciation not only to those who have made useful contributions in the house today but on earlier occasions and to the many other individuals and organizations who have come forward with studies during the past year and a half when this crisis developed—and the problem certainly has reached crisis proportions in cities like Toronto, Windsor, Montreal, Vancouver and other places. Some very worth-while and instructive suggestions have been put forward. They are all appreciated and we will continue to welcome them and to act upon them.

Mr. Speaker: Do I understand that the hon. member for Greenwood has a question to ask?

Mr. Brewin: Mr. Speaker, the minister referred in his remarks to the land assembly at Malvern in the neighbourhood of Toronto, and I think he said about 30,000 persons will be housed there. I should like to ask the minister whether he agrees that the major obstacle to proceeding with that project seems to be the servicing of the land which has already been assembled. Will the federal government make a contribution so that services can be made available? There is another question which I should like to put to the minister at the same time. Can he give us the assurance that when the land is serviced it will be made available for low cost or public housing and not just turned over to speculators to sell to the well-to-do?

Mr. Nicholson: These are two very good questions. On the first one I can say that the C.M.H.C. and the Ontario Housing Corporation have been working on this matter together with the municipalities in that area, including the chairman of the metro Toronto council. Arrangements have already been made to bring water and certain other facilities to the area in question, that is, the land owned by the federal-provincial partnership. The federal-provincial partnership has agreed to the appointment of top-notch engineers to co-ordinate the work for which it will provide the funds.

On the second question I can say that in the new development, some of which will be used for apartment blocks or multiple dwellings, some for private dwellings, supermarkets and churches, some space certainly will be reserved for public housing. There was agreement on that.

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

[*Translation*]

Mr. Speaker, on a question of privilege I should like to draw your attention to citation 119 in the fourth edition of Beauchesne's Parliamentary Rules and Forms, especially to subclauses 1 and 2 which read:

119. (1) One of the main functions of the house consists in debating public issues—

[*English*]

Mr. Nicholson: On a point of order, Mr. Speaker, the point raised by the hon. member for Saint-Marie certainly should be dealt with this afternoon. The time this morning was reserved for a debate on housing.

Mr. Speaker: There is a question of privilege before the house. Perhaps we should hear what it is.

Mr. Valade: Do I understand the minister correctly? Will this debate continue this afternoon?

Mr. Nicholson: No, Mr. Speaker.

Mr. Valade: That is why I raise a question of privilege.

[*Translation*]

Mr. Speaker, I am coming back to the citation:

119. (1) One of the main functions of the House consists in debating public issues, a function which can only be filled by complete freedom of speech.

I come now to subsection 2:

(2) The mere object of shortening sessions may lead to an undue curtailment of the freedom of speech. The duties of a representative Parliament are too important to be performed in a hurry. No question should be decided until it has been fully discussed. Although some effort ought to be made to economize time,

Mr. Speaker: Order. Order.

Mr. Valade: I am quoting, Mr. Speaker—

Mr. Speaker: Would the hon. member come to his question of privilege?

Mr. Valade: Mr. Speaker, I simply had to quote citations from Beauchesne's Parliamentary Rules and Forms to substantiate the question of privilege I intend to invoke.

Because of the way in which this urgent debate was organized, many members have been unable to express their views freely on matters which interest them personally, and as a member from an urban area—

Some hon. Members: Oh, oh.

Mr. Valade: Mr. Speaker, I have no explanations to give the Liberal members who try to gag parliament and tamper with the freedom of speech of the members on this side of the house. I would have had remarks to make.

Here is my question of privilege, Mr. Speaker. Because of the procedure, the house has been gagged on a matter as important as housing. I should have liked us not to have been subjected to last minute pressures.

[*English*]

Mr. Speaker: Order, please. I regret that it will not now be possible to call on the hon. member for Yukon.

It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, December 21, 1967

Sir:

I have the honour to inform you that the Honourable Gérald Fauteux, Puisne Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, December 21, at 3.15 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General

Inquiries of the Ministry

DRUGS

PROHIBITION AGAINST PUBLICATION OF NAMES OF PERSONS CHARGED

Mr. M. L. Klein (Cartier) moved for leave to introduce Bill No. C-194, respecting disclosure of names of drug addicts.

Some hon. Members: Explain.

Mr. Klein: Mr. Speaker, the publication in the newspapers or in any other news media of the names and addresses of persons charged with possession of narcotics, including marijuana, tends to destroy the character of the accused, often in his late teens or early twenties, as well as his career as a student, to the anguish of parents and family and makes rehabilitation almost impossible. The purpose of this bill is to prohibit the publication of the names and addresses of the persons so charged without special leave of the court so that, among other things, a distinction may be made between a user and a pusher.

Motion agreed to and bill read the first time.

CRIMINAL CODE

Hon. P.-E. Trudeau (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 Criminal Code, the Parole Act (inter alia to increase the maximum number of members of the National Parole Board from five to eight), the Penitentiary Act, the Prison and Reformatories Act, and to make certain consequential amendments to the Combines Investigation Act and the Customs Tariff.

Mr. Knowles: Mr. Speaker—

Mr. Starr: Mr. Speaker, in view of the fact that this bill is of great importance and in order to give us an opportunity during the Christmas recess to study its contents, may I suggest to the government that we pass the resolution as the first order of business and give the bill first reading? This will give us the opportunity of reviewing the bill during the Christmas recess.

Mr. MacEachen: Mr. Speaker, that is quite agreeable to us on this side.

Mr. Knowles: That was what I was going to suggest, Mr. Speaker. So we are all in agreement.

[Mr. Speaker.]

Mr. Speaker: Is it the wish of the house that this be done now?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Trudeau moved that the house go into committee on the resolution.

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

Resolution considered in committee, reported and concurred in.

Mr. Trudeau thereupon moved for leave to introduce Bill No. C-195, to amend the Criminal Code, the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and to make certain consequential amendments to the Combines Investigation Act and the Customs Tariff.

Mr. Starr: Mr. Speaker, if it is not against the rules, may I be permitted to ask whether the bill is now ready for distribution?

Mr. Trudeau: Yes, Mr. Speaker, it is ready for distribution in both languages.

Motion agreed to and bill read the first time.

NOVA SCOTIA

FEDERAL FINANCIAL RESPONSIBILITY FOR CONTINUED OPERATION OF STEEL MILL

On the orders of the day:

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. Since this is the last question period before the recess I wonder whether the Prime Minister can give us any further information about possible assistance from the government to the government of Nova Scotia in connection with the Dosco problem, in addition to what he has already said regarding the period up to April 30 next.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I received from the premier of Nova Scotia the communication which we had discussed and which he said he would forward the day before yesterday, I think. I have discussed this communication with my colleagues. I have written to the premier this morning. We want to clear up one or two points. We also wish to secure from him the text of the legislation. We shall be discussing this matter probably at this evening's cabinet meeting or early next week. We are anxious to proceed with a decision on this matter as quickly as possible.

ADMINISTRATION OF JUSTICE

BRITISH COLUMBIA—REQUEST FOR PAROLE OF FISHERMEN'S UNION OFFICIALS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct my question to the Minister of Justice or to the Solicitor General. I am not sure to whom I should address it but perhaps I might direct it to the appropriate member of the government. Inasmuch as Christmas parole has been denied to two officers of the fishermen's union because their case is before the court of appeal, could this matter be looked into?

Right Hon. L. B. Pearson (Prime Minister): I wonder, Mr. Speaker, whether I could take up that matter with the minister immediately.

Hon. Alvin Hamilton (Qu'Appelle): A supplementary question, Mr. Speaker. May I make a personal request of the Prime Minister and ask him to review this case himself? The minister who is involved will find himself in difficulties because of the legal aspects of the case. In view of the season of the year, could the Prime Minister see to it that these two men are given Christmas parole, not on grounds of humanity alone but on the wider grounds that a number of men of good will on the west coast are trying to open up new aspects of labour relations? This would do a great deal to show that there is good will in Ottawa toward efforts in that regard.

Mr. Pearson: I shall be glad to look into the matter personally, with the minister. I shall take my hon. friend's observations into consideration when we are doing that.

[*Translation*]

AGRICULTURE

BUTTER—INQUIRY AS TO NEED FOR IMPORTATION

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Agriculture, but in his absence I will direct it to the Minister of Trade and Commerce.

Could the minister tell us whether the butter supplies in Canada are sufficient to meet the demand during the winter or whether we will have to import butter or other dairy products during 1967-68?

[*English*]

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think I had better take that question as notice and discuss it with the Minister of Agriculture.

TRADE

PROPOSED FREE TRADE AREA WITH WEST INDIES

On the orders of the day:

Mr. Howard Johnston (Okanagan-Revelstoke): I wish to direct a question to the Minister of Trade and Commerce, Mr. Speaker. Now that the centennial issue of the Canada Year Book, a publication of the minister's department, has come out in favour of free trade, will the department be studying the report of the Canadian trade committee of the Private Planning Association of Canada, which advocates a free trade area with the West Indies?

Hon. Robert Winters (Minister of Trade and Commerce): Mr. Speaker, I think there may be some misunderstanding here. The misunderstanding may stem from two press stories this morning which referred to an article in the 1967 Canada Year Book. In fact, the article in question was in the centennial publication entitled, "Canada One Hundred, 1867-1967." The article was contributed and did not necessarily reflect government policy.

Mr. Johnston: A supplementary question, Mr. Speaker. Would the minister comment on the possible study of the report of the Canadian trade committee of the planning association?

Mr. Winters: Which aspect of it, Mr. Speaker?

POSSIBLE RESTRICTION OF MINERAL IMPORTS BY U.S.

On the orders of the day:

Hon. George Hees (Northumberland): I wish to direct a question to the Minister of Trade and Commerce, Mr. Speaker. In view of the statement made in Toronto yesterday by the general manager of the Mining Association of Canada to the effect that a possible limitation by the United States with respect to imports of Canadian minerals, which is causing great concern in the mining industry of this country, may I ask the minister whether he is aware of this possible action and, if he is not, will he look into the situation and make sure that the United States government is advised that we would not take such action lightly?

Inquiries of the Ministry

Hon. Robert Winters (Minister of Trade and Commerce): Yes, Mr. Speaker, we are looking into this matter currently.

RESEARCH

TRANSFER TO U.S. OF HARP PROJECT AND PERSONNEL

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Defence. In the light of answers given to me by the Minister of Industry yesterday concerning the space research institute, the HARP project, could the hon. gentleman tell me whether he himself or his officials have done anything to see that this complex is kept in Canada?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I personally had some discussion with the representatives of the board, I think, and I directed these people to the chairman of the Defence Research Board. I believe a tentative arrangement was arrived at whereby we could ask on a competitive basis for contracts from these people for particular types of research. These contracts would, of course, have to be approved by us. For instance, they would have to be concerned with high priority defence projects and so on.

Mr. Lambert: I wonder whether the Minister of National Defence could get together with the Minister of Industry and review the positions they have taken on this question in order that we might retain this space research institute in Canada and not let it go by default to the United States.

EXTERNAL AFFAIRS

GREECE—CANADIAN RELATIONS WITH MILITARY REGIME

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Secretary of State for External Affairs concerning the military regime in Greece. It is related to one which was addressed to the Prime Minister last week in the hon. gentleman's absence. The Prime Minister said then that the matter was under consideration. My question is: does the government of Canada consider the junta to be a government legally constituted and worthy of continued support by Canada?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am not in a position to give a definite answer to that question because our policy in this regard is not yet at a point at which it can be definitely stated. We are holding consultations with certain other governments. There is a constitutional problem in Greece which has to be examined as well.

CAMBODIA—EXTENSION OF ACTIVITIES OF CONTROL COMMISSION

On the orders of the day:

Hon. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question based on an announcement contained in a news broadcast this morning to the effect that Canada had indicated its readiness to extend the activities of the International Control Commission along the borders of Cambodia. Did Canada make such a offer and, if so, was it discussed with our colleagues on the commission, the Poles, who are reported to have opposed the suggestion?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there have been some discussions about the utilization of the commission in connection with the border question. The government of Cambodia has made a formal request to the commission. The Canadian government through its representative there has indicated its willingness as a member of the commission to use its offices for the purpose requested.

A decision by the commission would, of course, involve not only agreement by Canada but by the two other members of the commission. There can be no doubt about the desire of the Canadian government and its representative on the commission to comply with an obligation which they accepted when the commission was set up.

Mr. Fulton: I think the minister has misapprehended my question. I am sure there would be no disagreement as to the desirability of the International Control Commission acting in this manner. But my question was: has the government discussed this question with its fellow members of the commission before making an offer which we are told has been turned down by the Poles?

Mr. Martin (Essex East): I did not say Canada had made an offer but that Canada had indicated its willingness to pursue this application. Nor did I state which country or countries on the commission had refused to accede to the Canadian view.

Mr. Fulton: Has Canada discussed this matter with its partners on the commission and, if so, what has been the attitude of those partners?

Mr. Martin (Essex East): Having in mind the interest which the hon. gentleman and I share in this question, I do not believe I should go any further than I have done.

[*Later:*]

Mr. Speaker, I wonder whether I could add to my reply to a question put by the hon. member for Kamloops a few moments ago. I do so because of the importance of this matter. I should like to say, in addition, that the Canadian delegate on the commission has been trying, without success, to have what in effect is a proposal made by the government of Cambodia as early as 1966 considered by the commission. Our efforts in this regard have not thus far met with success.

Mr. Fulton: A supplementary question, Mr. Speaker. I take it, then, that the matter is still open for discussion. In other words, it is still open for decision and no final decision has been made; is this correct?

Mr. Martin (Essex East): The Canadian government continues to endeavour to have this matter considered by the commission. We feel strongly that if it were and if the commission were able to deal with the question involved, we would be able to take steps to more effectively guarantee the neutrality of Cambodia.

Mr. Ed. Schreyer (Springfield): A related question, Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member later.

LABOUR RELATIONS

MONTREAL—STEPS TO DEAL WITH STRIKE OF DOCK WORKERS

On the orders of the day:

Mr. Roger-E. Régimbal (Argenteuil-Deux-Montagnes): Mr. Speaker, I have a question for the Minister of Labour, and I hope his voice will last long enough to answer it. In view of the fact that Montreal port manager Guy Beaudet reported today that 32 shipping lines have indicated they will not return to Montreal until the current dispute is resolved, and in view of the fact that at this point the amount of cargo handled has decreased by more than 4 million tons this year, is the minister now ready to propose some new initiative to bring the parties together to find a solution?

Hon. J. R. Nicholson (Minister of Labour): I will take that question as notice, Mr. Speaker.

[*Later:*]

Mr. Régimbal: Mr. Speaker, may I ask the Minister of Labour whether by taking my previous question as notice he meant he will not indicate any kind of action or initiative on this urgent matter before January 22?

Mr. Speaker: Order, please.

[*Translation*]

HARBOURS

MONTREAL—REQUEST FOR GREATER LOCAL AUTONOMY

On the orders of the day:

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I wish to put question to the Minister of Transport. I apologize for not having given him notice.

In view of the news we have learned from the newspapers and radio that Montreal authorities would ask to take over the administration of national harbours in Montreal, has the minister received official correspondence from the city authorities on this matter?

Mr. Speaker: Order, please. I point out to the minister that in its present form this is not an urgent question, but if the minister wishes to answer, in view of special circumstances and the fact that we are adjourning today, the question may possibly be allowed.

[*English*]

Hon. Paul Hellyer (Minister of Transport): To the best of my knowledge, Mr. Speaker, there has been no communication, although there may have been some earlier which gave rise to this entirely new idea. I cannot remember seeing anything in this regard within the last few days but to be certain I should like to check my files. This idea of local autonomy is not new. It is part of a greater and very difficult policy question. I realize this is not the only place in the country where local people are interested in taking part in the affairs of the port authority, and I will check my files before saying definitely whether there has been any recent correspondence from people in Montreal.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question.

Inquiries of the Ministry

Could the Minister of Transport inform us whether his department has any objection to turning over to the Montreal city authorities jurisdiction over Montreal harbour, and has an investigation been made on this?

[*English*]

Mr. Hellyer: Mr. Speaker, this is part of the very great and complex policy question about which I was talking. I do not think my hon. friend would want me to give an off the cuff answer to anything as significant and with as far reaching consequences in an answer to a question on orders of the day.

THE CANADIAN ECONOMY

ABOLITION OF SECRETARIAT DEALING WITH WAR ON POVERTY

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, last Monday I asked the right hon. Prime Minister a question relating to the disbanding of the special planning secretariat and he stated that the work of the special secretariat had been given to other departments. I then asked the right hon. gentleman for information as to which departments had been asked to do what part of the work of the secretariat and he was good enough to say:

> Yes, I shall be very glad to do that, Mr. Speaker.

Since this is the last day before the Christmas recess will the Prime Minister give us that information?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sorry I have not received the report for which I asked and I apologize to my hon. friend for not having this information. I will get it to him as soon as I receive it later this week—tomorrow, I hope.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when the Prime Minister is answering the question posed by the hon. member for York South perhaps he would also indicate to the house which group will be doing the co-ordinating and planning in respect of any action on the poverty program which the secretariat was doing.

Mr. Pearson: That will be done in the privy council office which has the general co-ordinating responsibility in this field.

FINANCE

INTERNATIONAL GOLD TRANSACTIONS TO SUPPORT DOLLAR

On the orders of the day:

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, on December 19 the hon. member for Edmonton West asked me whether Canada had been asked to render any other assistance in support of the United States dollar on the international exchange or whether we are to stand idly by as an apprehensive watcher. In reply I said:

> I believe the United States government, which is the primary supporter of gold, is very happy with Canada's role at the present time.

I should like to supplement that answer today by advising the house that as a measure of international monetary co-operation Canada has today sold the United States $100 million worth of gold. The proceeds from this sale will be invested by the exchange fund account in short term interest bearing securities.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask a supplementary question. Is this sort of participation in the gold pool on an open end basis or is it an exclusive transaction?

Mr. Sharp: Mr. Speaker, we are not a member of the gold pool. This is action by Canada very similar to the action we have taken in the past when we have sold gold to the United States, but this is a rather larger transaction than usual.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

When the Minister of Finance says that the revenue or proceeds from the sale of this gold to the United States will be invested in bonds, can he tell us whether the interest on these bonds will be at least equal to the interest which the government pays in respect of its own bonds?

[*English*]

Mr. Sharp: Mr. Speaker, I should advise the hon. gentleman that when we hold gold we are earning nothing and that therefore this is a net addition to our earnings as a government.

[*Translation*]

Mr. Grégoire: Mr. Speaker, that was not my question. I asked whether the interest on the bonds bought by the government will be equal at least to the interest which the government pays in respect of its own bonds.

[*English*]

Mr. Sharp: Mr. Speaker, I can assure the hon. gentleman that whenever the government invests money it invests it at the market rates of interest which presumably apply to all borrowers as well as lenders.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the fact that Canadian gold mines are subsidized, can the minister indicate just how much this sale of gold will cost the Canadian taxpayers?

Mr. Sharp: Mr. Speaker, all sales of gold, as long as the United States is supporting the dollar, are at $35 an ounce. That is the prevailing international price. There is no other price in international markets.

DEFENCE PRODUCTION

INQUIRY AS TO TENDERS FOR DESTROYER ESCORTS

On the orders of the day:

Mr. J. M. Forrestall (Halifax): Mr. Speaker, my question is for the Minister of Industry. Would the minister be good enough to give us a progress report, if one is available, on the analyses which are being made of the tenders for the four D.D.H.'s and particularly whether Halifax is in the running for one or more of them?

Hon. C. M. Drury (Minister of Industry): As I pointed out the other day, Mr. Speaker, the tenders were officially opened on December 12, a relatively few days ago. Although the work is progressing as rapidly as possible it is not expected that the analyses will be completed until early in the new year.

Mr. G. L. Chatterton (Esquimalt-Saanich): May I ask a supplementary question, Mr. Speaker. Could the minister advise the house whether in considering these tenders the difficult position of the west coast shipyards will be taken into consideration?

Mr. Drury: Mr. Speaker, if the hon. member is referring to the Restigouche shipyard I am not sure whether that shipyard is on the list of tenderers.

An hon. Member: The west coast shipyards.

Mr. Drury: There is a bid in from the west coast which will be examined.

Mr. Chatterton: I have a further supplementary question, Mr. Speaker. I do not think the minister understood my previous question. In deciding which tender should be accepted, will the minister consider the difficult position of the west coast shipyards?

Inquiries of the Ministry

Mr. Drury: Mr. Speaker, I am aware of the difficult position of the west coast shipyards. I should like to remind the hon. gentleman that in order to take care of this a program has been arranged of what I might call transitional assistance to enable the west coast shipyards to make an adjustment.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, my question was for the Prime Minister but in his absence perhaps I might direct it to the minister as a supplementary question following the answer he just gave. Can the minister advise the house whether immediate assistance will be given to the Vancouver drydock in view of the fact that 500 out of 800 men have been laid off already?

Mr. Drury: Mr. Speaker, as I mentioned, the analyses of the bids received for the D.D.H.'s will take some time to complete. It will not be possible to allocate these contracts until some time next year.

CRIMINAL CODE

REQUEST FOR COMMITTEE CONSIDERATION OF AMENDING LEGISLATION

On the orders of the day:

Mr. Robert McCleave (Halifax): Mr. Speaker, my question is directed to the Minister of Justice. In view of the size and complexity of the bill we have just received dealing with the Criminal Code and other statutes, is it the intention of the hon. gentleman to have it sent to the appropriate committee of the House of Commons? Perhaps someone on that side of the house would take this question as notice, since I see that the minister has just left.

[*Later:*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Justice. A brief perusal of the bill which he has introduced does not reveal any reference to section 150 of the Criminal Code relating to birth control. Is this matter dealt with in the bill or will it be treated separately?

Mr. Speaker: Order, please. I think this question is out of order, but since other out of order questions were accepted this afternoon perhaps the minister can answer this one too.

Hon. P.-E. Trudeau (Minister of Justice): Since you allow me to speak out of order,

Inquiries of the Ministry

Mr. Speaker, I will say that this matter is not in the bill for the simple reason that it is in another bill dealing with contraception. I believe it is in the drugs and food bill which is now being considered in the other place. That is the only reason it is not in this bill.

CANADIAN NATIONAL RAILWAYS

INCENTIVES TO ENCOURAGE EARLY RETIREMENT OF EMPLOYEES

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Transport, notice of which I sent him this morning. Will the additional benefits offered by the C.N.R. to its employees taking early retirement continue until the death of the employee or will they terminate at age 65? Also, why did the company not offer to continue the health and welfare benefits of the employees being urged to retire early until they reach the age of 65?

Mr. Speaker: Order, please. I would think this question should be placed on the order paper.

Mr. Orlikow: Mr. Speaker, if I may say a word on the question of urgency, I understand that the employees who have been offered this proposition have been given a date by which they must opt in or out of the program. I think it is important that they have the information so they may arrive at a proper judgment in this respect. If the minister has the information I do not think it would take long to give it.

GRAIN

INQUIRY AS TO FINAL PAYMENTS FOR 1966-67 CROPS

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 Trade and Commerce, especially because this is the last day before the Christmas recess. Could the minister advise the house whether the Canadian Wheat Board has advised him when they will have the calculations made and be able to issue the final payment cheques to farmers in western Canada for the 1966-67 crop year?

Hon. Robert Winters (Minister of Trade and Commerce): No, I am sorry that I am unable to be precise in my answer to this question, Mr. Speaker.

[Mr. Trudeau.]

EXTERNAL AFFAIRS

VIET NAM—REQUEST FOR INCREASED MEDICAL ASSISTANCE

On the orders of the day:

Mr. Ed. Schreyer (Springfield): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In the light of new evidence indicating a drastic and soul saddening increase in the number of Vietnamese children war wounded and war burned, can the minister say whether the government has any immediate plans to make its medical assistance more substantial in that part of the world?

Hon. Paul Martin (Secretary of State for External Affairs): Yes, Mr. Speaker. I announced a few days ago that we are planning substantial additional medical assistance based on the recommendations of the Canadian team that was sent to South Viet Nam about two months ago.

STEPS TO IMPROVE INTERNATIONAL RELATIONS ABROAD

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I would like to address a question to the Secretary of State for External Affairs. In view of his statement in Brussels last week to the effect that our relations with France have never been better, is he planning to initiate similar approaches to other heads of state with a view to generally improving our international relations throughout the world?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, what I said, and I repeat it now, is that relations between Canada and the government of France are normal. I had an opportunity a few days ago of the fullest discussion with the French foreign minister. We are engaged in a number of negotiations with France. I detect no difference whatsoever in the relations between those representing the government of Canada and those representing the government of France. That is the statement I made the other day in Brussels.

NATIONAL DEFENCE

INDUCTION INTO ARMY OF NEWSPAPER REPORTER

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the

Minister of National Defence. I have given him 24 hours' notice so he will be well prepared. It is based on an article published in a recent issue of the week end supplement called *The Canadian Magazine*. The editorial comment reads as follows—

Mr. Speaker: Order, please. The hon. member knows that he cannot quote directly when asking a question. The question should be asked directly.

Mr. Churchill: Mr. Speaker, I am sure that if you would listen to the quotation you would make a different decision. However, I will ask the minister whether the magazine is correctly stating the case when it says that this reporter was admitted into the army secretly and given a regimental number and a uniform. Was that done without formal attestation?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, it is a fact that my hon. friend gave me this article yesterday, which I read and enjoyed very much. I think he is gratified to find out that recruit training is just as rugged today as it was in his day. I am told that the unit into which Mr. Alderman was recruited is very happy about the article. I would like to coin a proverb, if I may: "Thrice armed is he who can laugh at himself."

Mr. Churchill: I am not objecting to the article, Mr. Speaker. The minister has not answered my question, which I regret very much. I thought he was different from his predecessor.

Some hon. Members: Oh, oh.

Mr. Churchill: I have a supplementary question, Mr. Speaker. Sometimes an army unit will take on strength a mascot such as a goat and give him a number and a rank. Do reporters now qualify for this distinction?

Mr. Benson: Most reporters are goats.

Mr. Cadieux (Terrebonne): That was not my remark, Mr. Speaker. All I can say is that the recruiting of Mr. Alderman was carried out with our knowledge and in the proper way.

CANADIAN BROADCASTING CORPORATION

PRESENTATION OF PEACE PROGRAM ON CHRISTMAS AFTERNOON

On the orders of the day:

Mr. L. R. Sherman (Winnipeg South): Mr. Speaker, I wish to direct a question to the Secretary of State. It arises out of the plans of the C.B.C. to televise nationally this Christmas afternoon a program called "Peace On Earth", a one hour special report on Pacem in Terris II, a convocation held in Geneva last spring on the problem of achieving peace in the world. My question is, can the minister tell the house why the decision was made to televise this program at this time, seven months after the event?

Hon. Judy V. LaMarsh (Secretary of State): No, Mr. Speaker. The people in management get paid to manage.

Mr. Sherman: A supplementary question, Mr. Speaker. In view of the fact that most of those appearing on the program are well known for views that are opposed to United States foreign policy, would the minister, in the interests of good Canadian-United States relations and objective broadcasting, undertake to watch this program so as to satisfy herself that objectivity is being achieved?

Mr. Speaker: Order, please. I remind hon. members that we are soon going to run out of time, so I shall have to watch the questions a little more closely.

OLD AGE SECURITY

REQUEST FOR INCREASE IN COST OF LIVING SUPPLEMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Would the minister not like to take this opportunity to wish a Merry Christmas to all the old age pensioners of Canada—

Some hon. Members: Oh, oh.

Mr. Knowles: —and would he do this by finding a way to increase the cost of living supplement to be added to the pension in January by an amount in line with the increase in the cost of living which has taken place since the pension was fixed at $75 a month?

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I will be very happy to respond to the suggestion made by my hon. friend and wish the old age pensioners of Canada a Merry Christmas. Just about a year ago the House of Commons passed an important piece of legislation, the guaranteed income supplement,

which in the past year has resulted in payment of additional support to the old age pensioners of Canada of an amount in excess of $200 million.

Some hon. Members: Hear, hear.

Mr. MacEachen: This money has been put in the pockets of the neediest pensioners. I am sure that my hon. friend, who used the expression "Scrooge" a year ago with reference to myself, would like an opportunity now to withdraw it.

Some hon. Members: Hear, hear.

Mr. Knowles: I have a supplementary question, Mr. Speaker. The minister has commented on the guaranteed income supplement. My question related to the cost of living supplement of only $1.50 a month which is to be paid starting in January. Will he find a way to increase that amount in view of the fact that the cost of living has gone up by 13 per cent since the old age pension was set at $75 a month?

Mr. MacEachen: Mr. Speaker, we have fully complied with the law passed by parliament in granting this cost of living adjustment. As I recollect it, all members of the house thought it was a very important step when we adjusted the old age pensions and the guaranteed income supplement to the cost of living. This cannot be altered in any way except by an amendment to the act.

Mr. Knowles: I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please, We have just a few minutes left and questions have been asked on this subject by five or six other hon. members.

Mr. Knowles: The Minister of Veterans Affairs found a way to do it yesterday, by a supplementary estimate.

VETERANS AFFAIRS

INQUIRY AS TO INCREASE IN WAR VETERANS ALLOWANCE

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of Veterans Affairs but in his absence perhaps the Acting Prime Minister could answer it. Pursuant to the announcement made yesterday by the Minister of Veterans Affairs with regard to the increase in veterans disability pensions, is the government giving consideration to an increase in the war veterans' allowance payments?

Hon. Paul Martin (Secretary of State for External Affairs): I will bring this question to the attention of the minister at once.

FREIGHT RATES

MEETING WITH RAILWAYS TO DISCUSS NEW L.C.L. RATES

On the orders of the day:

Mr. J. P. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I wish to direct my question to the Minister of Transport in view of the fact that we may not be here for a few days. Has the minister been able to use his well known initiative to arrange a meeting with the railway officials to deal with the l.c.l. problem? If not, will he undertake to make sure that such a meeting is arranged even though it may be held while the house is in recess?

Hon. Paul Hellyer (Minister of Transport): Mr. Speaker, I do not think the railways are ready yet to discuss with me their position relating to the several questions raised by the Atlantic provinces premiers. I can assure my hon. friend that if they can do so during the recess the meeting will certainly be called expeditiously. We will not wait for parliament to reconvene just for that purpose but will endeavour to obtain the answers as quickly as we reasonably can.

Mr. Nowlan: I have a supplementary question, Mr. Speaker. Would the minister use his initiative at some stage to set a date for the meeting, or is he going to wait for the railway officials to express their readiness for it?

Mr. Speaker: Order, please. The hon. member is making a representation.

TRANSPORT

NORTHUMBERLAND CROSSING— CORRESPONDENCE WITH COL. CHURCHILL

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to address my question to the parliamentary secretary to the Minister of Public Works. I have given him notice of it. In the light of the fact that motions for the production of papers cannot be dealt with before the Christmas recess, may I ask the

parliamentary secretary whether any significant documents have been exchanged between Colonel Churchill and the government of Prince Edward Island relative to the Northumberland crossing since Colonel Churchill became an employee of the Department of Public Works?

Mr. J. B. Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, this question could be dealt with more fully when the notice of motion is called. However, the brief answer is that at present it appears that the papers which would be required by the motion could not be produced because they are interdepartmental.

[*Translation*]

EXTERNAL AFFAIRS

CYPRUS—INQUIRY AS TO CANADIAN TROOPS

On the orders of the day:

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the hon. Minister of National Defence.

Can he tell us if a decision has been reached with regard to the Canadian troops stationed in Cyprus?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, that decision is incumbent on the Secretary of State for External Affairs. Personally, I have nothing new to say about the matter.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I may add that the security council of the United Nations is to consider the matter this afternoon, I believe, and the position of the Canadian government will depend entirely on the decision reached at that time.

[*English*]

BUSINESS OF THE HOUSE

AGREEMENT TO DISPENSE WITH ADJOURNMENT DEBATE

On the orders of the day:

Hon. R. A. Bell (Carleton): Mr. Speaker, may I ask the house leader a question related to the business of the house tonight. Would the house leader not consider it appropriate to abandon the adjournment debate tonight so that members of the staff may get away a little earlier than would otherwise be the case?

Mr. Knowles: Perhaps we could have it at six o'clock.

Hon. Allan J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I think it would be a good idea to abandon the adjournment debate tonight.

Mr. Speaker: Is it so ordered?

Some hon. Members: Agreed.

HOUSE OF COMMONS

MEMBERS OF PARLIAMENT DESCENDANTS OF FATHERS OF CONFEDERATION

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I rise on a question of privilege. As this is the last scheduled day on which this parliament will be sitting in the one hundredth year of confederation, I should like to draw the attention of the house to the fact that there are two men sitting in the House of Commons who are direct descendants of the fathers of confederation. I believe that December 21 is observed as the anniversary of the death of one of these gentlemen, namely Hon. Edward Whelan, of whom Eugene Whelan, the hon. member for Essex South, is a direct descendant. May I also say that the hon. member for Lotbinière, Mr. Auguste Choquette, is a direct descendant of Sir Pascal Taché who at one time was the prime minister of Canada and who was the hon. member's great-great-grandfather. The French have a knack for keeping track of their family connections and can trace back their forbears for many generations. There is no question that the hon. member for Lotbinière is a direct descendant of Sir Pascal Taché.

The Irish were more of a wandering type, but it can be proved that the hon. member for Essex South is a direct descendant of Hon. Edward Whelan who represented Prince Edward Island at the second Quebec conference and who also attended the Charlottetown conference. Sir Pascal Taché presided over the first Quebec conference but unfortunately passed away before the other two meetings were held. Hon. Edward Whelan was a printer, a man after my own heart, and to prove that there is a direct connection between him and the hon. member for Essex South may I quote a few words from an editorial in the Saint John, New Brunswick *Globe* of December 21, 1867. Speaking of the Hon. Edward Whelan, this is what it said:

> Mr. Whelan enlisted with ardour on the side of the people, and soon drew down upon himself the stern opposition of the old and powerful family compact which ruled the island.

Royal Assent

May I say that this is in keeping with the cool breezes now blowing in this direction from the other place. It continues:

His long public career has been characterized by a firm and eloquent advocacy of measures calculated to improve and elevate the people. He was a man of large sympathies, of quick and generous nature, of ready wit, and with an eye always to the humorous side of a question. An extensive and varied reader, a man of excellent literary and of considerable natural eloquence, he was a flowing and imaginative speaker.

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.

• (3:30 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 respecting Co-operative Trust Company Limited.

An act respecting Principal Life Insurance Company of Canada.

An act to establish a corporation for the administration of the National Museums of Canada.

An act to amend the Judges Act.

An act to amend the Emergency Gold Mining Assistance Act.

An act to amend the Criminal Code.

An act to amend the Government Employees Compensation Act.

An act to amend the Industrial Development Bank Act.

An act to establish a Department of Consumer and Corporate Affairs.

An act to establish a Canada Manpower and Immigration Council.

An act respecting the boundary between the Province of British Columbia and the Yukon and Northwest Territories.

An act respecting interprovincial and international teleferries.

An act respecting the armed forces of countries visiting Canada.

An act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1967 to the 30th day of June, 1968, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

[Mr. Cowan.]

BROADCASTING

IMPLEMENTATION OF CANADIAN POLICY

The house resumed, from Wednesday, December 20, consideration in committee of Bill No. C-163, to implement a broadcasting policy for Canada, to amend the Radio Act in consequence thereof and to enact other consequential and related provisions—Miss LaMarsh—Mr. Tardif in the chair.

On clause 2—*Broadcasting policy for Canada.*

Mr. Horner (Acadia): Mr. Chairman, when the house adjourned yesterday I had just started to make a few remarks about the Canadian Broadcasting Corporation and this proposed legislation, Bill No. C-163. The bill is divided readily into three parts. We are now discussing clause 2 of part I which in essence sets out the objects of a broadcasting policy that the government hopes to project across Canada.

I came to Ottawa ten years ago, Mr. Chairman. If I were asked to look back and to single out a subject that has continually caused more concern to members of parliament and to this and the previous government I would have to say it was the C.B.C. and its administration and management. During those ten years the broadcasting committee has held meetings and studied broadcasting legislation from time to time. We have had the C.B.C. management on the mat, so to speak, time and time again. The point I am trying to make is that there seems to be no way in which the government and members of parliament can control this communications system and at the same time keep out of the field. And one really has to have control over this mammoth giant which continues to spend the taxpayers' money at an amazing rate. The taxpayers are not completely happy with the way the corporation is run in that no one seems to be able to control it, and no one in the corporation seems to take responsibility for some of the things it does.

The bill before the committee, seeks to set up a Canadian radio-television council, which will be a completely independent body. In other words, the management and operations of this mammoth giant will be removed that much farther from the people who pay for its operations and from their representatives. Members of parliament and the people generally will have little or no influence over the

controlling of the C.B.C. or over the projection of a Canadian content and a Canadian culture in its programs.

According to the objects outlined in the clause, it appears that the council will have to go further and contribute to the unity of Canada and assist Canadians in developing a national identity. In other words, it seems that the council is going to be a very powerful board which, if it takes its work seriously, will have the ability to brainwash Canadians all across Canada in such a way as to shape our unity and identity. I question whether this is right, Mr. Chairman. One hon. member speaking in the debate yesterday likened the C.B.C. as a means of communication to something not very different from a newspaper. Certainly the corporation is not too different from a newspaper. A government should not become involved in the publication of a daily or weekly newspaper, so why should it become involved in a now established television network or even, for that matter, a radio network?

In 1932 when the Canadian Broadcasting Corporation was first set up it was the duty of the government to foster the development of a broadcasting network for Canada. We now have one network established with perhaps more on the way, and I suggest that at this point government should attempt to phase itself out of the operations of the C.B.C. Certainly, parliament should phase itself out of controlling the C.B.C. or we should put the corporation up for sale and let someone else run it. Some body similar to the Board of Broadcast Governors must impose regulations to control broadcasting.

• (3:40 p.m.)

The Minister of Finance has said that we are in a difficult financial position and that certain cuts must be made here and there. Not long ago the Prime Minister said that all the money which might have been available for housing had been completely absorbed by other expenditures. The Minister of National Revenue has cut agricultural payments to farmers because there is a shortage of money. Yet under this bill another large governing council is to be set up. In her opening remarks when introducing the bill the minister said that this council would need to employ more civil servants than any similar body has ever employed before. Instead of cutting down on the number of new employees the minister, through this bill, is seeking to increase their number.

Canadians are asking that government be simplified and that costs of government be reduced. Statistics show that one of every eight Canadians works for government at some level. In effect, our society has become so complicated that out of every eight people one controls the other seven. We should attempt to simplify our society and cut government expenditures instead of increasing them. The Minister of National Revenue said that the government will make a concerted effort to limit the growth of the civil service. Yet the Secretary of State under this bill is seeking to employ an ever-increasing number of civil servants.

Parliament must control this giant, the C.B.C. The minister quite obviously has found it almost impossible to control the giant. The bill says that the C.B.C. is to have a five year capital budget and that the minister will review the budget from time to time. That budget will only come before the house, for members of parliament to scrutinize, every five years.

Clause 2 of part I of the bill suggests that the council shall be called on to determine what programs are in good or bad taste. I sat on the broadcasting committees some years ago and we studied the question of broadcasting. What tests is one to apply to taste? Who can judge what is in good taste and what is not? If this is a free society, as I hope it is, then economics must be the judge. As the hon. member for Kindersley said yesterday, surely no one would buy a film like "Waiting For Caroline", broadcast it across Canada and expect to make money on it. The corporation spent $319,000 making that film, and the Minister of Finance has increased taxes by 5 per cent. How can one reconcile the 5 per cent tax increase with the expenditure of $319,000 to produce one film? I have not seen it but I have heard that it was completely and utterly in poor taste.

Mr. Dinsdale: Indecent.

An hon. Member: I liked it.

Mr. Horner (Acadia): Someone says he liked it. Bully for him. I can tell him that many Canadians did not. For another program, "The Ernie Game", the corporation spent $320,000. Yet the government says that it has no money for housing or for agricultural payments to farmers. No voting taxpayer will believe the Minister of National Revenue when he says that the government is going to limit the growth of the civil service in face of the fact that this bill will increase

its size. Certainly any voting taxpayer who hears, on the one hand, that he must pay 5 per cent extra in taxes and, on the other, that the corporation spent $319,000 in making "Waiting For Caroline", will tear his hair out.

Though certain films that are produced for "Festival" may be very good, I do not think the government should be involved with them. I do not think we should compete with Hollywood. The government has tried to promote a private film industry in Canada—

Mr. Dinsdale: It has not been set up yet.

Mr. Horner (Acadia): I know that, but I do not think that we should compete with Hollywood. We should not use taxpayers' dollars for a risky enterprise like the film business. Nor should we compete with Hollywood. Certainly the government must enact broadcasting legislation, but I think that the government should get out of broadcasting. If the C.B.C. is a going concern we should put it up for sale. Let someone buy this Canadian corporation about which everyone is talking. I do not care who buys it. I do care about the taxpayers and the way their money is spent. The government should not be involved in a risky, gambling type of enterprise such as the film business. As I said, we should not compete with Hollywood and the government should not attempt to brainwash the public.

The purpose of this legislation, we are told, is to safeguard, enrich and strengthen Canada. How can you safeguard, enrich and strengthen Canada without brainwashing people? It cannot be done otherwise. We are also told that those with conflicting views will be allowed to express those views on C.B.C. networks. Sometimes, I have the impression that only one side of a picture has been presented on certain programs. The other side has been ignored. Both sides of an argument ought to be fairly presented.

The bill is to contribute to the development of national unity. How can any piece of legislation or any council that is set up contribute to the development of national unity? How is that possible without somebody trying to brainwash the people? That just does not make sense. Since we live in a free society, and I think we do, when a private entrepreneur is given the right to use the airwaves his right ought to be regulated by the government. That is only fair since in some instances he is being allowed a monopoly use of certain airwaves. As I say, we should not be in the broadcasting business because it is risky and requires a great deal of capital.

• (3:50 p.m.)

The setting up of a council will remove the corporation even farther from parliamentary control. The cry in parliament for many years has been that nobody has any control over the corporation. Yet this bill will remove it still farther from control by the people's representatives. The provision for capital expenditure to be on a five-year basis is another feature which will lead to the further weakening of control. All we can hope for is that those appointed to the council will be fair-minded men who will remain so forever and a day, because this is our only hope that any solution will come out of this legislation at all.

The bill provides every escape route feasible for C.B.C. management as a way out should any complaints reach them. The minister told us that the corporation would be answerable to the council and that complaints directed to the council will be brought to the attention of the C.B.C. in accordance with the objectives set out for the corporation in the bill. In that regard the corporation is required to promote, somehow or other, a sense of Canadian identity. In doing so, of course, it has to project conflicting views. So we are giving the corporation in effect a blank cheque covering anything they may wish to disseminate.

This giant has grown so big that instead of trying to limit its size we are washing our hands of it and handing it over to someone else to run. In my opinion we are going about handling this mammoth giant, which each year is gobbling up more money and creating disharmony rather than unity in Canada, in the wrong way. It will continue to do so after this legislation is passed.

[*Translation*]

Mr. Grégoire: Mr. Chairman, before the vote on my amendment could I ask the minister who brought in the measure if she could tell us, still in accordance with my amendment, who are the owners or the shareholders of the Quebec private television stations belonging to that same company? Could the minister provide an answer in this connection?

[*English*]

Miss LaMarsh: On May 4, 1966, there was tabled in the house pursuant to an order

details of the ownership of private broadcasting stations including CFCM-TV, Quebec city.

[*Translation*]

Mr. Grégoire: Mr. Chairman, could we know when it was tabled in the house and could the minister send me a copy?

[*English*]

Miss LaMarsh: As I say, it was tabled on May 4, 1966.

[*Translation*]

Mr. Grégoire: Could we have a copy, Mr. Chairman?

[*English*]

Miss LaMarsh: I will be happy to send my copy to the hon. member.

Mr. Cowan: In rising this afternoon to speak on this proposed broadcasting bill I can tell you, Mr. Chairman and members of the House of Commons, that I do so with a heavy heart. I consider myself a Liberal. Some people call me a Liberal of the Liberals. I have been working on behalf of Liberal policies and Liberal positions for over 40 years and I did not play an inactive part in the editorial stand taken by the Toronto *Star* on many matters.

I am one of the privileged men of this country in that I was able to enjoy a close association with the late Joseph E. Dickinson, publisher and editor of the Toronto *Star* to the date of his death in 1948, and if there is anyone in this house who wishes to question the Liberal antecedents of the Toronto *Star* I am here to answer him.

It is true that the Toronto *Star* took a stand with regard to Liberal policy in 1917 and that the *Star* proved to be right, even if it did support a unionist government. It was Liberal in its viewpoint, Liberal in its stand. The Toronto *Star* broke with declared Liberal policy provincially in 1937 during the provincial election and it was never more right than it was in its stand at that time. I happened to be in Oshawa when the late Mr. Hepburn, so-called Liberal prime minister of Ontario, declared he intended to devote the rest of his life to keeping the Congress of Industrial Organizations out of Canada. The Toronto *Star* broke with Mr. Hepburn over that question and I could not have agreed with that stand more.

I have taken part in every election campaign provincially since 1919 when I scrutineered for the late George A. Gillespie, Liberal candidate for re-election in Peterborough that year. I cast my first Liberal vote in Toronto in the early twenties upon reaching the age of 21. I voted C.C.F. in the days when Hepburn was premier.

Some hon. Members: Hear, hear.

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member but I was under the impression that he was leading up to a speech on the broadcasting bill, clause 2 of which is presently before the committee.

Mr. Cowan: Mr. Chairman, I am anxious to find out whether this is Liberal doctrine. In my opinion it is not. There are two features of this bill which I cannot and will not support and I intend to elucidate them, I assure you, before I finish.

I have in my hand Bill C-163. I could not disagree with anything more than I disagree with certain of these clauses. We have clause 2 before us now but I know that at this time we are allowed considerable freedom to discuss the bill generally before we go into it clause by clause and phrase by phrase. I cannot subscribe to clause 47, and I will say so long before we even get to it. I was hoping the country as a whole would make its views known on this aspect of the bill.

Clause 47(2) reads:

> (2) Upon the coming into force of the Act and every fifth year thereafter, the Corporation shall submit to the Minister an operating budget for the next ensuing five financial years of the Corporation for approval by the Governor in Council on the recommendation of the Minister and the Treasury Board, and the Minister shall lay before Parliament each such operating budget of the Corporation as approved by the Governor in Council within fifteen days after the approval thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

The Assistant Deputy Chairman: Order. I would point out that we are not discussing clause 47. The clause under study is clause 2 of the broadcasting bill.

Mr. Cowan: Mr. Chairman, I believe we are discussing a bill designed to implement a broadcasting policy for Canada and I presume that clause 47 is part of that broadcasting policy for Canada as set out in this bill. If you wish me to drop discussion of clause 47 at this time I will gladly do so and move on to the second feature of this bill which I

can never support, namely, the provision for community antennae television regulation by whatever board is set up to govern broadcasting. I disagree 100 per cent with that provision. The bill suggests that broadcasting undertakings in Canada make use of radio frequencies that are public property. Community television systems do not make use of radio frequencies; they involve nothing but receiving sets. Yet they are included in this bill.

• (4:00 p.m.)

Let me return to clause 2 (c) which reads as follows:

(c) all persons licensed to carry on broadcasting undertakings have a responsibility for...the programs they broadcast—

Note these words:

—but the right to freedom of expression... is unquestioned.

Did you ever hear of a more mouth-filling phrase that meant nothing than "the right to freedom of expression is unquestioned"? I ask you, Mr. Chairman and members of the committee, what is the use of having the right of freedom of expression if the public has not got the right to listen?

I have here in my hand a XEROX copy of a judgment handed down by the supreme court of British Columbia in a celebrated case regarding the Public Utilities Commission of British Columbia and Victoria Cablevision et al. There were some other cablevision companies involved in this case but Victoria Cablevision Company Limited was the defendant. This particularly interesting case bears on cable television in the province of British Columbia and involves an endeavour to place the cablevision people under the control of the province. The cablevision people took the case to the supreme court of British Columbia where it was ruled that cablevision was within the federal domain rather than provincial jurisdiction. This decision was rendered by the supreme court of British Columbia. The decision rendered there and the opinions of the various justices are worthy of study. There is one part I should like to refer to in particular. It appears at page 722 of Dominion Law Reports. I suppose the lawyers will know what 51 D.L.R. means.

They quoted Viscount Dunedin at pages 85-86 and again quoted His Lordship at pages 87-88 as follows:

Now, a message to be transmitted must have a recipient as well as a transmitter. The message may fall on deaf ears, but at least it falls on ears.

[Mr. Cowan.]

That covers the case in respect of efforts to regulate community antenna television.

I have the annual reports of the Board of Broadcast Governors for the last four years in my hand. In March 1964 the minister of transport—and mark my words, he knew what he was doing—did not have the approval of the house nor the Liberal caucus but decided to ask the Board of Broadcast Governors informally to advise him on C.A.T.V. applications. As I read the reports of the Board of Broadcast Governors it is interesting to note how they cling to the word "informal". They reported "informally" on this and that and they advised "informally" on one thing and another. Surely this is a case of the minister using the back door because he knows the front door is shut. I do not think I can give a better example than the 1967 report in which I find the following two paragraphs at page 14 of that report for the year ended March 31, 1967:

Other Matters of Concern to the Board
C.A.T.V. Applications

Under the policy and procedures announced by the Minister of Transport on July 22, 1964, the board continued to advise the minister on the possible impact of C.A.T.V. applications on existing broadcasting stations or on the provision of alternative service.

In the fiscal year ended March 31, 1967, the minister referred 91 C.A.T.V. applications to the board. The number included applications for new licences, extensions of existing systems and changes in the channels carried. The board found that 84 of them, in its judgment, would not make the operation of existing television stations uneconomical or inhibit the provision of alternative service.

That is a very interesting report. Let me point out that there were 91 referrals, on an informal basis, of course, and of the 91 the board found that 84 of them would not affect the economical operation of existing television stations. The report does not say what happened to the other seven applications. This report was received about two months and a half ago and I decided to find out what happened in respect of the other seven applications. It is about two and a half months since that report. The present administration seems determined, even at the expense of the viewing public of Canada, to protect certain stations. I asked the minister to advise me what seven applications were refused. I have been told in reply on many occasions that I will receive this information next week, or shortly, or at some time. I have been told that the department is working on my question and if I wait a week or so I will get an answer.

Because this also involves the Minister of Transport I asked him if he could give me

some information. I asked this question during meetings of the committee on broadcasting, films and assistance to the arts. I was assured by another minister that the information was readily available and I would be supplied with it in a couple of days. Two and a half months passed and I still did not have the information. I finally made the comment that I was not particularly anxious to get the information and suggested I would refer to the fact I could not get it when speaking in the House of Commons. The other day I received the letter dated December 13 which was addressed "Dear Ralph" and was signed "Judy". I should like to read this letter because it relates to the freedom of expression. It does not contain any comment about the freedom to hear. It states:

During the hearings of the broadcasting committee on Bill C-163, you asked for detailed information in regard to the seven C.A.T.V. applications turned down by the Board of Broadcast Governors as noted in its last annual report.

I have been in touch with the board on the matter and the information is as follows:

Perhaps I should deal with this paragraph by paragraph, always bearing in mind that we are discussing clause two of Bill C-163. The letter then states:

Two applications—one by David R. Graham of Ottawa and the other by Murray L. Sweigman of Toronto—for the establishment of a new C.A.T.V. system at Pembroke, Ontario, were rejected on grounds they would adversely affect the economic position of the existing T.V. station in that community.

Since when did the government of Canada adopt the attitude that it has to guarantee a profit to a T.V. station in what we are told is a competitive market? I wonder how many members in the house this afternoon recall the tremendous applause we received when we set up the department of consumer affairs which would see that prices go down? I can still hear the phrase to the effect that "the free play of the market place" will knock the prices down because the market is going to reverse itself and we will be living in paradise. The fact of the matter is that as long as monopolies continue the prices on the market place will be exactly those the people want to charge for the products they want to sell.

Why should the cabinet refuse to give licenses for C.A.T.V. stations on the basis that such a station might adversely affect the economic position of a television station in existence, particularly when we are told we are living in a free economy where people can participate in free enterprise? It seems to me that we are moving into a state-controlled democracy, under terms which will require limitation in respect of various private enterprises, particularly C.A.T.V. stations.

• (4:10 p.m.)

However, the interesting thing about Pembroke is the fact that these two applications were turned down on the ground that they would adversely affect the economic position of the existing television station in this community. This letter is dated December 13 and refers to the year ended March 31, 1967. I made inquiries and learned they were rejected on the ground that they would adversely affect the economic position of the existing television station. I should like to advise you, Mr. Chairman, that since March 31 the Department of Transport has granted a C.A.T.V. licence in Pembroke. Well, if they were not going to grant a licence in Pembroke because it would adversely affect the economic position of the existing television station, why have they now granted permission to an applicant to establish a C.A.T.V. system in Pembroke?

The other day I spoke about duplicity. Do I have to repeat myself? I hope my remarks do not need to be repeated but if it is necessary I can repeat them. These licences were not granted because they would adversely affect the economic position of the existing television station, but then I find that an applicant has been given a permit and that the installation work is now 93 per cent completed. This applicant should be able to take signals out of the air and distribute them to the individual homes of his subscribers by March 1. Why could all three applicants not have been granted licences? Why could they not all have been allowed to go in there and let the best man win, somewhat like the situation in Ottawa where there are two stations which are not competitive, or like the situation in Hamilton where there were three stations which were competitive? In Hamilton they certainly let the three of them go to it. If these other applicants want to get into Pembroke, give them the right under the competitive economy in which we are supposed to be living rather than turn them down and then grant a licence to a third applicant. To move on, the next paragraph of this interesting letter, referring to the right of freedom of expression but evidently not to the right of freedom to hear, states that three applications by John Albulet of Ottawa for C.A.T.V. systems at Prescott, Gananoque and Napanee were turned down on the ground that they would inhibit the

provision of alternative television service in that general region. Mr. Chairman, ladies and gentlemen, this is quite interesting. Three applications by John Albulet of Ottawa for C.A.T.V. systems in Prescott, Ganaboque and Napanee were turned down on the ground that they would inhibit the provision of alternative television service in that general region. I made inquiries and found that the people in Gananoque and Napanee pick up the Kingston station which is privately owned.

I do not know how familiar hon. members are with the operation of C.A.T.V. installations, but the point one must bear in mind is that if you are the owner of a television station and have a licence from the government you possess a very valuable franchise. The more viewers you have, the higher the advertising rates you can charge the people who may wish to make use of your television station. But if any influence comes into play which reduces the size of your audience, the advertisers will not willingly pay any rate which you as the owner of the station wish to charge. They will argue with you; they will show you that your audience of viewers is not as big as you claim it is, particularly if there are C.A.T.V. installations in the neighbourhood. I say to you quite frankly, honestly and without fear of contradiction that the television station owners do not want the people in their immediate territory looking at the programs of other stations because when they look at other stations' programs they reduce the size of the audience the local T.V. station operator is seeking to sell to advertisers.

I have mentioned in the house before today the interesting set-up at the lakehead at Port Arthur and Fort William where they have a T.V. station. I believe there are about 24,000 or 25,000 homes at the lakehead and there is one television station. The people at the lakehead are so pleased at the fact that they can look only at the one station that more than half of them, over 13,000 subscribers in Port Arthur, pay $5 a month so they will not have to look only at the Port Arthur station and can have their choice of Duluth-Superior or Marquette in Michigan. When over 13,000 families are willing to pay approximately $5 a month for C.A.T.V. service because there is only one station in the area, what better commentary do you need in respect of whether or not the Canadian station is meeting the desires and wishes of the people of Canada?

[Mr. Cowan.]

The C.A.T.V. applicant was denied licences for Gananoque and Napanee. One can realize that if there were C.A.T.V. franchises in those places the people would be picking up stations such as Watertown, New York. No doubt you have heard over the years that the Americans have a tremendously deteriorating influence on anybody with whom they come in contact and that we must protect ourselves against the terrific influence which the Americans exert on such naïve and innocent people as we pristine, pure Canadians. If it is possible to keep Canadian citizens in Gananoque and Napanee from looking at American stations—only incidentally would they look at the Kingston station, you understand—it should be done because one never knows what ideas they might get. So these applications for C.A.T.V. franchises were denied and, of course, the television station owner in Kingston is quite happy because possibly his audience will be bigger if they have to look at his station without having the choice of stations which the C.A.T.V. system could bring in.

To return to the matter of Prescott, we are told that this application has been denied on the ground that it would inhibit the provision of alternative television service in this general region. That is a good mouth-filling phrase; it almost equals the right of freedom of expression—period. It was turned down on the ground that it would inhibit the provision of alternative television service in this general region—Prescott, Gananoque and Napanee. I telephoned Prescott and spoke to a very knowledgeable man there. He informed me that in Prescott the people are able to bring in on their sets the independent station here in Ottawa and are also able to receive Kingston. He said that because Cornwall is a relay set-up from the privately owned station in Ottawa they do not bring in Cornwall but bring in the French station out of Ottawa, the privately owned station out of Ottawa and the Kingston privately owned station. They do not get the C.B.C. very clearly in Prescott. But he says they spend all their time watching Watertown.

The C.A.T.V. applicant wanted to bring in all the Canadian stations I have mentioned with a clearer picture and of course pick up some United States stations as well. However, it was pointed out that this would inhibit the provision of alternative television service in that general region. You probably know that the television licensee in Cornwall fell on

hard times and instead of continuing to operate an independent station sold out to Ottawa interests and the Cornwall station is now a relay station out of Ottawa. If Cornwall, a great big bustling community on the seaway, cannot support an independently owned station, imagine how Prescott could support an alternative television service in that general region encompassing Gananoque and Napanee.

The report of the Commons broadcasting committee is interesting. I shall pay my respects to that tremendous organization in the course of the debate on the broadcasting bill if I am advised under which clause I shall be able to discuss the broadcasting committee. The report of the broadcasting committee states that it is their opinion that wherever there is a C.B.C. station the second station to be erected should be an independently owned station or that if there is an independently owned station the second station must be a C.B.C. station. In Kingston, Ontario, there is a privately owned station. I wish to quote from the minutes of the standing committee on broadcasting, films and assistance to the arts for the meeting of November 16. Before the committee appeared the Secretary of State on page 55 of the minutes we find the hon. member for Burnaby-Richmond saying the following:

● (4:20 p.m.)

Mr. Chairman, Mr. Wahn is bringing up two points. One has to do with programming and he is concerned that the same type of programs are on both networks at the same time. Then the other point is the extension of the network and the white paper and the broadcasting committee both clearly stated that:

"The committee concurs with the statement on structure appearing in the white paper, particularly with reference to extending coverage to all Canadians and to full network services in both official languages. We recommend further that, wherever practical, in areas now receiving only one Canadian service, if the service is through a private outlet, the alternative should be provided by C.B.C. If C.B.C. is now the sole service, the second service should be private. Where there are serious obstacles to such parallel development, however, these should not prohibit the extension of alternate service by other means, at least on a temporary basis. We urge that the introduction of dual service proceed as rapidly as C.B.C. finances and local market conditions permit."

If I remember correctly, the C.A.B. also agreed with that, too, so it did envisage that in every area in Canada where there are to be two stations, one would be C.B.C. and one would be private.

This means that because there is a privately owned station in Kingston at the present time, any second station that is granted a franchise there will be C.B.C. Why do we worry about protecting the provision of alternate television service in the Kingston area? Since when did the C.B.C. ever start to worry about money? They simply say: Send us some more over, we are short today, and over it comes. What are we protecting in the Kingston area? The television station will be a C.B.C. one, according to the white paper and the report of the committee of the house if it is adopted.

So in the Kingston area applications for C.A.T.V. service in Prescott, Gananoque and Napanee are being turned down in order to protect a C.B.C. station that may be erected there in the future and which does not need financial protection, because the way money is spent by the C.B.C. they would not know what to do with the limited funds available to them from private sources if they were privately owned.

I move on to another refusal. This is in the same letter:

The board turned down an application by Mr. Claude Lemieux, of Baie St-Paul, Quebec, for a system at Clermont, on grounds it would adversely affect the existing T.V. station there.

Once again we have the cabinet stepping into the breach. Here is a privately owned station. They say the television audience is not to look at any station other than the one they have. It took a considerable number of phone calls to find out what existing T.V. station was being protected. I thought for a while that they were the privately owned stations in Quebec city, but I have in my hand a map of Clermont and found after some research that the station that was objecting to the C.A.T.V. in Clermont is at Rivière-du-Loup and is privately owned. Clermont is 85 miles from Quebec city and only about 40 miles across the St. Lawrence river from Rivière-du-Loup.

When the application came forward from Mr. Claude Lemieux of Baie St-Paul in the year ended March 31, 1967, the owners of the T.V. station in Rivière-du-Loup, having learned that all owners of T.V. stations oppose all applications for C.A.T.V. licences—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. gentleman again but this time I must advise him that the time allotted to him has expired.

Some hon. Members: Carry on.

The Assistant Deputy Chairman: The hon. member for Lapointe.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I had this information from the Secretary of State (Miss LaMarsh) about those two private television stations in Quebec city, namely, CFCM-TV on channel 4 and CKMI-TV on channel 5, both of which are owned by Télévision de Québec (Canada) Limitée, and my remarks are in connection with clause 2(b), which states that:

(b) the Canadian broadcasting system should be effectively owned and controlled by Canadians so as to preserve, enrich and strengthen the cultural, political, social and economic fabric of Canada;

The previous law similarly provided that majority ownership of radio and television stations in Canada be held by Canadians. Now, majority ownership of the two Quebec city stations I have referred to is not held by Canadian residents; this is why they operate under an order in council dating from 1965; in fact, although majority ownership of those stations is held by foreign interests, they operate in Canada nevertheless, under an order in council which protects their majority shareholders and empowers them to do so.

The minister sent me the list of the directors, where interesting things are to be found concerning what is happening in the field of television in Quebec.

The president of the Quebec city TV station, Télévision-Québec-Canada Ltée, which controls and owns both Quebec stations, is Mr. Gaston Pratte, president and director, who holds one common share on the 10,000 existing shares. Those are voting shares and the president holds only one. The vice-president is Mr. J. J. Fitzgibbons, also a director and holder of one single share out of 10,000. The treasurer is a Mr. R. W. Boldstad. I do not know where he comes from, no address is mentioned, but he is also holder of one single share, as treasurer and director. The secretary, Mr. Henri Lepage, from Quebec city, is also a director and holder of one single share of the 10,000. So it all means that the president, the vice-president, the treasurer and the secretary each own one single share out of 10,000. The controller, Mr. Lapointe, is not a director and has no shares. There are three other directors, and I will return to the general manager later. The three other directors also only hold one share each; they are Mr. Angus McCunn, Mr. Hervé Baribeau, also from the Quebec region, and Mr. E. E. Fitzgibbons—who, I believe, is the son of the vice-president and also comes from Toronto. The general manager, however, Mr. Jean A. Pouliot, holds 500 shares. This means that there are seven who only have one share each and one who has 500 of the 10,000 shares.

[The Assistant Deputy Chairman.]

The other shareholders are: CHRC Ltd, 1999 shares; CKCV-Quebec Ltd, 1998 shares; A. C. Picard, deceased, 10 shares; the Mont Saint-Jean Investments Inc., 490 shares. I do not know where this corporation is nor where it comes from. Finally, there is the Famous Players Canadian Corporation Ltd, which holds 4996 shares, or 50 per cent of all the shares. What is this Famous Players Canadian Corporation Ltd?

The capital stock of the Famous Players Canadian Corporation Limited consists of 1,737,072 shares, of which 900,390, that is 51.834 per cent are controlled by United States and owned by American residents.

And, Mr. Chairman, even if these 51 per cent of the shares—it is more than that, it is 51.8 per cent—are controlled by American citizens, we call that the Famous Players Canadian Corporation Limited.

And there, it is well said: Télévision de Québec (Canada) Limitée, that is Canadian; it is Famous Players Canadian Corporation Limited. But, we forget to say that 51.8 per cent of the shares of Famous Players Canadian Corporation Limited are owned by American residents. There are also 803 shares owned by Britishers, 4,175 shares held by citizens of others countries and 831,704 held in Canada. This means that Canadians control 47.8 per cent of the shares of the Famous Players Canadian Corporation Limited, the remaining 52.2 per cent being controlled by foreigners. And this is called Canadian ownership.

The wording of the act is as follows:

It is hereby declared—

I am referring to clause 2 (b),

—that the Canadian broadcasting system should be effectively owned and controlled—

It does not say indirectly or in any other manner, but effectively. It is a very specific terms: "should be effectively owned and controlled by Canadians."

But this is not the case of our two television stations in Quebec city. The previous act stipulated the same thing: "that the Canadian broadcasting system should be controlled by Canadians." But such was not the chase. This is what is irregular. The cabinet comes in later on, and the ministers pass an order in council. The one I referred to earlier

was passed in 1965, and allowed a television station to be owned by foreign residents.

• (4:30 p.m.)

Mr. Chairman, I know the minister has good intentions but in the past good intentions were not respected. We, in Quebec, would like to see and end to Americans ingrafting their ideas into our heads. We would like our two t.v. stations in Quebec city, the only two—if others are requested, the reply is "There are enough t.v. stations —to become the property of Quebec citizens. The minister must agree with me that the request is legitimate since paragraph (a) of clause 2 reads as follows:

It is hereby declared that

(a) broadcasting undertakings in Canada make use of radio frequencies that are public property and such undertakings constitute a single system, herein referred to as the Canadian broadcasting system, comprising public and private elements;

Mr. Chairman, it is said that the Canadian broadcasting system uses frequencies that are in the public domain, in short that a licence is required to operate a television station.

Three or four years ago, Mr. Jacques Laroche, of Quebec, owner of radio station CJLR, applied for a license for a television station in Quebec. He was refused, because he already had three. It seems that they are limited, and if no more can be given in Quebec, I would ask the minister at least to enable Quebecers to regain control of the two Quebec television stations instead of leaving them in the hands of American citizens.

I see that the Minister of Manpower and Immigration (Mr. Marchand) is now in the house. He is a resident of the province of Quebec, a citizen of Quebec who should also be concerned with the problems I am bringing up. I see him speaking with a neighbour, yet this is a Quebec problem with which the minister should be concerned. He should see to it that changes are made and that Quebecers become owners of their television stations.

I ask the minister to believe that there are many people in the province of Quebec who ask nothing better than to buy shares in one of the Quebec television stations, since they are probably among the stations which make the most money in Canada. Both the French and the English stations belong to the same company. They make a great deal of money. In fact, since they have no competition, the administrators raise the rates as they wish, and the people of Quebec would like to invest money in this concern.

Therefore, the amendment I introduced did not ask for very much. I simply asked instead of the words:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians—

I should like the word "should" to be replaced by the word "shall", so that the clause would read rather this way:

—the Canadian broadcasting system shall be effectively owned and controlled by Canadians.

I should like the minister to answer my question and to tell me whether or not she intends to do anything in that respect? Is it her intention to accept the amendment which would include the word "shall" be effectively owned and controlled by Canadians rather than the word "should". I am not asking for much. I simply ask her to change one word which would reflect in the text the good intentions she has shown and which do not appear in it at the present time.

I should like to ask the minister if she intends to accept the amendment and to see to it that the present situation changes so that the ownership of the two private Quebec city television stations be controlled by Quebec and by Canadian citizens. I am convinced that many Quebecers would ask nothing better than to have an interest in their own television stations. Is the minister ready to accept that amendment and to change the words in the text?

[*English*]

Miss LaMarsh: Mr. Chairman, I doubt that this is the appropriate time to make any comments on this matter. I know that a number of general suggestions have been made. The other day my hon. friend suggested an amendment. We have not been debating that amendment, but general speeches have been made with respect to clause 2.

I should say to my hon. friend that I feel I will not be able to support his amendment when the appropriate time comes by virtue of the fact that this is a declaratory clause and we have tried to use appropriate language throughout. The matter has been discussed at some length during the meetings of the broadcasting committee, and I should like to refer my hon. friend to those discussions.

[*Translation*]

Mr. Grégoire: Mr. Chairman, during the committee discussion, I raised the matter, and the minister told me then that she did

not object to T.V. stations being controlled by Canadians, as it is in fact printed here. But the big problem is that this is not the present situation, and she should change it.

Now, the Minister of Manpower and Immigration (Mr. Marchand), could perhaps, as a fellow Quebecker, support my suggestion to that effect. The minister could perhaps second my proposal that the Quebec city television stations become truly owned by Quebeckers. He does not appear very interested, perhaps because he is too engrossed in his conversation, but I am asking him if he would perhaps second my proposal to give effective control of T.V. stations in Quebec city to Canadian citizens, perhaps even Quebeckers.

A minute ago, I named the actual owners of those two private stations; indeed, they are Americans, and they have majority control of the voting shares. I fail to understand why such control is left in the hands of American citizens, especially when clause 2(b) states that:

—the Canadian broadcasting system should be effectively owned and controlled by Canadians—

Now, the amendment I suggest is as follows: the term "should" would be removed and replaced by the term "shall". At this time, there are two private stations in Quebec city, and they are the ones I am concerned with—and they should also be the concern of the minister of manpower, since he is a Quebecker—because their majority ownership is held by two American residents who make the decisions about station policy.

I do not think it is decent when it comes to the point where Famous Players Canadian Corporation Limited, of which 51.8 per cent of the shares belong to American residents, decides of the programmation for us.

• (4:40 p.m.)

Then I ask the Minister of Manpower and Immigration whether he would support my amendment to replace the word "should" by the word "must" so that the Canadian broadcasting system is effectively owned and controlled by Canadians. Would the minister of manpower be ready to support my request for that?

I put the question to the minister of manpower: Would he be ready to second the amendment I now move?

Mr. Marchand: Mr. Chairman, I am among those who favour Canadian control of all undertakings and I would surely like to have television stations as well as any other undertaking under the control of Canadian citizens. But I do not believe the way to achieve this is by an amendment to the clause, as the member for Lapointe (Mr. Grégoire) has suggested. There are much more effective and democratic ways of proceeding.

Some hon. Members: Hear, hear.

Mr. Grégoire: If the minister of manpower permits, I should like to point out to him that it would not be creating a precedent and I should like to remind him of a case which occurred here in this house less than a year ago during consideration of the Bank Act.

The Minister of Finance (Mr. Sharp) moved an amendment to the Bank Act providing that any chartered bank wishing to operate in Canada shall be owned—there was then no question of "should", the word he used was "shall"—be owned to the extent of 75 per cent of the voting shares, by Canadian residents and citizens. This is a precedent that was adopted here and for which the minister himself voted. I also voted for this amendment which was agreed to and which set the precedent.

At the present time, in the field of television in Quebec city—perhaps the minister is not aware of it—there are quite a number of people who ask nothing better than to buy shares in those television stations because they are probably the most profitable in Canada. There are two private stations in Quebec city and they both belong to the same company, namely the Télévision de Québec (Canada) Limitée, which is controlled by Americans. They are probably the most profitable television stations because they have no competitors.

Two or three years ago—I repeat it because the minister was busy earlier—a Mr. Jacques Laroche applied for a license to operate a television station in Quebec city. His application was turned down and he was told: There are two already, that is enough.

Mr. Marchand: I rise on a point of order, Mr. Chairman. It was not refused on those grounds but rather because C.B.C. had also made an application and, at the time the hon. member for Lapointe was not there, but with a great many Quebec citizens I fought so that the license be granted to C.B.C. and not to private enterprise.

Mr. Grégoire: Mr. Chairman, I was there. I also fought so that the license would be granted to C.B.C. but I carried on another

fight. I went further and I said: you already have two stations, let C.B.C. take over one and let the other in the hands of private enterprise.

At the time, I also pleaded the cause of C.B.C. but I added that both private stations which were owned by Americans should belong to Quebec residents and this is my suggestion: Since both private stations do not operate according to the legislation, let them be taken over by C.B.C. and if there is a license left over, let private enterprise have it. Under such circumstances, C.B.C. would have taken over both, a French station and an English station.

This is what I suggested at that time when I testified before the B.B.G. I wonder if the minister was a member of the house at that time?

Mr. Marchand: No.

Mr. Grégoire: No? Well, I testified before the B.B.G. and suggested that the two private stations which were not at that time operating according to the provisions of the law should be nationalized by the C.B.C., precisely because they were not operating according to the law, so that the C.B.C. would have had both the French and the English networks. And if that left an opening, let it be filled at least by Quebec citizens, and Mr. Jacques Laroche was one of those who had made an application. This means, Mr. Chairman—and this is what I wanted to point out to the minister—that some Quebec citizens are interested in television at present. I am not referring to Mr. Laroche specifically, because this could be an open competition. Let the station sell its shares on the open market, but to Quebec residents, so that no foreigner could control anything as vital to the life of the people. For instance, a television or radio station is not like a paper. A paper can be started by anybody, unlike a television station. If the minister of manpower, the hon. member for Lotbinière (Mr. Choquette) or I, for instance, applied for a license to operate a television station in Quebec city, and we were told that there were already enough, we must not prejudice the interests of existing stations, licenses must not be granted to just anyone, I would understand that. Since there is a limit, since there is control, since licenses are not granted to just anybody, there is all the more reason not to grant them to foreigners. On the other hand they must be granted to Canadians when they are willing to buy them, and that is the case now. There are Quebeckers who are willing to buy shares in the Quebec city television station so that it might become a Quebec or Canadian station. These two arguments should change the mind of the minister of manpower.

First, the Minister of Finance set a precedent over a year ago by proceeding in similar fashion with regard to the Bank Act.

Secondly, I can tell him that there are Quebeckers who would be most willing to buy shares in those t.v. stations. I feel my argument about frequencies is important. If they are to be hard to get, they should at least be given to those Canadians who want them, and if they do not want them, we can always give them to foreigners. But there are Quebeckers who do want them.

So, I wonder if those three arguments do not induce the minister to change his mind, and if he would not be ready to support my amendment or to change one word in that clause.

Mr. Marchand: Mr. Chairman, if I may, a few months ago, the cabinet formed a task force which should submit shortly a comprehensive report on the impact of the United States economy on the Canadian economy, and on the effect and impact of American investments in Canada.

At the time this report will be studied, I think we might perhaps be able to develop a comprehensive philosophy or policy in respect to American ownership or investments here in Canada, and to my mind, an accidental side approach to the problem, through some legislation, as was suggested by the hon. member for Lapointe (Mr. Grégoire) is not actually sound and could lead to extremely serious prejudicial effects.

Mr. Grégoire: Mr. Chairman, I should like to point out to the minister that the question here is not an economic one—

The Deputy Chairman: I recognize the hon. member for Lotbinière.

Mr. Grégoire: Do I have leave from the Chair to reply to the minister? I only want to point out that the question here is not, by any means, to determine what impact the American economy may have on our Canadian economy.

It is rather a law to check, as the bill says, the influence of the American way of thinking, of the American mentality, in the field of the cultural, political, social and economic fabric of Canada. That is especially what was

used, namely the cultural and social fabric, because forcing, for instance, the Americans to sell say fifteen or twenty per cent of their shares in the Quebec city station, that does not constitute an invasion in the economic field, but that provides, for instance, protection in the cultural and social field. This aspect is much more important than the other, for us, because even if we ask the Americans to sell fifteen or twenty-five per cent of their shares to Quebeckers, that does not represent a fortune. That is not what costs a fortune and that is not the field of investment I am considering here.

I should like to ask the Minister of Manpower and Immigration to see things from my angle and not to think only of investments. There is something more important, more vital in that and it is the cultural and social field. The legislation says—I am not saying it—effectively controlled by Canadians. I do not want to replace the word "Canadian" by the word "Quebecker"; I leave the word "Canadian" as opposed to "American", for instance. I say that it is much more important to consider the cultural and social point of view rather than the economic point of view as far as a television station is concerned. I think the minister will admit that I am right on that point.

Mr. Marchand: Mr. Chairman, if I may answer the hon. member immediately, I will say to him that the legislation governing private stations contains means of control. If there are abuses, the Board of Broadcast Governors can suspend the licence of a station, and I do not think there is any danger of an invasion by American culture through channel 4 in Quebec city. If that channel, which the hon. member looks at and which is as Canadian as any other station is guilty of abuses, the Board of Broadcast Governors has the means to take action to remedy the situation.

• (4:50 p.m.)

However, I know that some Quebeckers would be interested in making profits, in having that station under their control, but I do not think that it is the responsibility of the government to decide which member of the company is going to make profits.

Mr. Grégoire: Is it about the same thing?

Mr. Choquette: I could perhaps point out to the hon. member that I am not convinced that when channel 4 was opened in Quebec city, the Quebec interests were entirely willing to invest in a television station. I am not convinced that Quebec city would have had its television station especially without the financial support which did not essentially originate from Quebec. I think that we would then have been deprived of the benefits of a television station which has rendered great services to the Quebec population. I am fully endorsing what the hon. minister of Manpower and Immigration has just been saying, that from a social and cultural point of view, Quebec channel 4 is a station extremely representative of Quebec, especially as it rebroadcasts the major part of the programs of channel 10, a station controlled by Mr. De Sève, in Montreal. As the hon. member is from the area of Jonquière, Arvida and Chicoutimi, he does not have, of course, so many opportunities of watching all the programs on channel 4, otherwise he would have noticed that the programs broadcast are typically programs of interest to Quebeckers. Consequently, I do not believe that from a social and cultural point of view, the threat is as great as the hon. minister would lead us to believe.

As for the editorials, I tend to agree with him. They are certainly written from a capitalist point of view. However, private enterprise is essentially capitalist. Whether they concern investments in Quebec or elsewhere, you can be sure that editorials written by a station with Quebec interests would probably, if not certainly, be essentially the same as those heard on channels 4 and 5.

Mr. Chairman, the comments I wanted to make are not exactly related to the objections raised earlier by the hon. member for Lapointe. I wanted to call the attention of the hon. minister (Miss LaMarsh) or her distinguished parliamentary secretary (Mr. Béchard), to paragraph (e) of clause 2, which says:

> —all Canadians are entitled to broadcasting service in English and French as public funds become available;

I think the wording is so vague that we do not know exactly where it leaves us.

Mr. Chairman, I have had occasion before to make representations and, even if I repeat myself, let me insist to the minister that relay stations of the French network be set up throughout Canada, until we can have stations which will originate local programs, in the urban centers where it would be possible to establish them.

The great problem of Canadian solidarity is based precisely on the existence of a sound barrier. In some regions of Canada, French consonances seem as strange as Hebrew or Arab consonances and this gives rise to frustrations and often to deplorable acts of extremism. It would be quite interesting, especially for the younger generation of English speaking Canadians who are unusually open-minded, to recognize more and more that the French fact is valuable for Canada and helps us precisely to distinguish ourseves from Americans and to check growing Americanism.

In school, youngsters are given some notions and rudiments of French and after leaving school, they have no opportunity to improve their knowledge. That is the reason why I should like, with the same emphasis, ask the hon. minister to act promptly, in order to establish everywhere, in Canada, relay stations of the French network, which would cost very little.

The clause becomes a matter for concern where it says: "as public funds become available".

Mr. Chairman, public funds are available. Just a little inquiry would suffice to reveal the extravagances of the C.B.C. For instance, and without indulging in personalities, when a Quebec interviewer is sent to Paris, on an expense account, to interview a French personality, while the C.B.C. representative in Paris is asked to cross the ocean to come to Canada and interview a Canadian personality, I say that is the type of abuse you find in the C.B.C. and which explains that funds are not available.

Mr. Prud'homme: Would the hon. member allow me to ask him a question? Could he tell us the name of the person sent to Europe to interview a famous Frenchman when we already had one interviewer in Europe?

Mr. Choquette: Mr. Chairman, I have already mentioned his name once. Mr. Lévesque was asked to go to Paris to interview Mr. Pompidou, although one of our most brilliant radio and television interviewers was already there at that time. The hon. member for Lapointe was in Paris recently, where he met Pierre Nadeau, one of our most brilliant announcers and most dynamic commentators. He is the Paris correspondent. However, the C.B.C. paid René Lévesque to go to Paris in order to interview Mr. Pompidou. That was a considerable and unjustified expenditure.

That is why there is no money to build relay stations in order to promote the French language in Canada. The only way to solve the problem of Canadian solidarity is to make the French fact a part of the Canadian heritage. If the French fact is not a Canadian heritage, it is because in certain areas of the country, due to the weaknesses I pointed out, due to the absence of relay station which would enable the diffusion and the propagation of the French language in the country, there are areas of the country where French is just as foreign as Hebrew, Arab or Japanese. That is the major obstacle to Canadian solidarity. So, I appeal most urgently to the minister, so that relay stations may be built. It would cost less than the Laurendeau-Dunton commission and would also allow French to spread throughout the country without extravagant expenditure such as were noted at the C.B.C.

That is the suggestion I humbly make to the minister.

[*English*]

Mr. Herridge: Mr. Chairman, I will be very brief. I have been occupied with other matters and not able to listen to much of the debate this afternoon. However, regardless of the differences of opinion I think it is quite correct to say that the C.B.C. is an institution which, generally speaking, Canadians are proud of, even though it has made its mistakes and blunders.

I understand, Mr. Chairman, that some hon. members brought to the attention of the minister certain matters that should be given consideration when everything is running smoothly again. I wish to bring to the minister's attention the fact that there have been numerous complaints from the Rossland and Trail area about timing of programs. Programs are received from Calgary instead of from Vancouver, and this causes certain inconvenience. Some interesting programs are not even received at all.

There have been numerous complaints from organizations and individuals in this regard, Mr. Chairman. I know Dr. Caple from Vancouver has visited the district, but apparently there is a technical problem which has not yet been solved. I urge that the C.B.C. do everything possible in the future to make certain that in the Kootenays, particularly in west Kootenay, programs are received from Vancouver for the same length of time as they are being transmitted over the station in Vancouver.

I have also had complaints from various organizations and persons with respect to the content of programs. This is to be expected and people should have a right to express their preferences, and so on. I hope that more consideration will be given to the reaction of ordinary people to the content of certain programs with which at the present time they express a great deal of dissatisfaction.

I also hope that the C.B.C. will make certain that all of the Kootenay lake area is serviced by the C.B.C., even the smaller communities. I realize this is not an easy job in mountainous country, but I hope that areas such as the Slocan lake area, to which Canadian stations are not available at the present time, will be served in future by some form of satellite. People in certain areas around Salmo receive programs from the United States, but they would like to receive Canadian programs through some form of satellite such as that now provided for radio programs by certain co-operative societies in my constituency.

I should like briefly to give my opinion of C.B.C. management. In the first instance, I think the C.B.C. needs an administrator with sound business ability and the opportunity, through civil service experience or experience in other positions, to understand how to administer large corporations such as this, and to do so efficiently within the budget permitted. He should be an administrator with a wide knowledge of Canadian life and conditions, as a result of prior experience in the service of the people of this country. I noticed in the paper recently that Dr. Davidson's name was mentioned. I guarantee that if he is appointed to this position he will turn out to be a very sound administrator. He has had some experience and knowledge of business administration, and that is very necessary in an organization of this type.

• (5:00 p.m.)

I think that the second person to be appointed, or his co-partner, should be a creative person who is able to communicate with those who are engaged in the creative work. He should be able to communicate with employees almost from day to day in order that he might acquire a close knowledge of programs being undertaken, of artists working on those programs and of all the interrelationships, shall I say, that come into play between the creative end and business management. I think he should have knowledge of Canadian habits, tastes and preferences with respect to television.

In this matter I think the public response ought to be sampled and consideration given to those persons who pay for broadcasting services throughout the country. Now that can be done more efficiently than in the past. I must say that though I have received complaints regarding the lack of C.B.C. television service in certain areas, I have had far fewer complaints from organizations and individuals about program content. The greater part of program content is very acceptable to most people I have talked to. Some persons take exception to this, and some to that. I suppose that that must be expected but, on the question of selecting the person I am speaking of, that question ought to receive consideration by management and by those who organize the production, ultimately, of C.B.C. programs.

I wish to mention another matter. We had one or two co-operative television stations which invested from $10,000 to $15,000 in order to receive broadcasts from United States stations. The area in which those stations are is to be serviced in a few days by the C.B.C., and the people are very pleased about that. The people are also interested to know if they will be able to continue with their co-operative television stations which were erected to meet certain conditions some years ago, and to enable them to receive broadcasts from United States stations. I understand that this matter is for the Board of Broadcast Governors and for the Department of Transport to decide.

Before I sit down, I wonder if the minister would tell the house how many letters and telegrams she has received from people in various parts of Canada who, in general, or to some extent supported her contention with respect to the management of the C.B.C.

Miss LaMarsh: Mr. Chairman, I think there were several hundred in support of the C.B.C.

Mr. Stafford: Mr. Chairman, television and radio can only be measured by what comes out of the receiver and into our homes. It is the program which influences, gives us ideas and educates us one way or another. It is the program, also, which provides us with facts and material to help us to make up our minds on public issues and on the role the government must play. I am referring of

course to news broadcasts, and especially to public affairs programs.

I am concerned about this bill, as we must ensure that this powerful medium of broadcasting is placed in the hands of sound men. They must be provided with sound policy guide lines.

I note that clause 2(c) of Bill C-163 reads:

(c) all persons licensed to carry on broadcasting undertakings have a responsibility for the public effects of the programs they broadcast but the right to freedom of expression, subject only to generally applicable statutes and regulations, is unquestioned;

I also note that clause 39(1), which we shall be discussing later, reads:

The corporation is established for the purpose of providing the national broadcasting service contemplated by section 2 of this act,—

And so on. Here the bill stipulates clearly that clause 2 applies not only to all licensed broadcasters but to the Canadian Broadcasting Corporation as well.

Here we are dealing with a matter of accountability: Who shall be held accountable for the programs which come out of the television tube or the radio receiver? The bill is quite clear—as it needs to be, and it is vital that no one misunderstands its meaning—that persons who are licensed, and the management of the C.B.C., are to be held accountable. I raise this point because of my experiences during the past two years on the broadcasting committee as well as a result of my own researches.

Those of us on the broadcasting committee last year saw a bitter war raging within the C.B.C. between the producers of "This Hour has Seven Days" and some of their immediate superiors, and the management of the corporation. A small but determined group of producers made a bare faced attempt to destroy the corporation's top management, because top management had had the temerity to suggest that, in the face of public demand and demands made in this house to end serious breaches of good taste and the flagrant slanting of programs, a slanting which was against the best interests of the country, the program be toned down.

Not content with trying to unseat those in authority, these people at public expense instituted a telephone campaign from a hotel room opposite the C.B.C. offices in Toronto, to try to stir up protests on their behalf. One may read the details in the committee's reports. Mr. LaPierre, Mr. Watson and Mr. Leiterman also engaged in speaking engagements and in radio and television performances to build up their campaign against their so-called tormentors in C.B.C. management. Last year, following this extraordinary performance, I wrote in Canada *Month*:

Only forty people worked on the staff of '7 Days' —8,500 are employed at C.B.C. Yet the producers and performers of this relatively small group were able to resist and test the strength of the entire C.B.C. management while attempting to force the Canadian government and parliament to act on its behalf. Their strength was multiplied dangerously through the astonishing power of T.V. and by a carefully manipulated campaign in the press and on Parliament Hill. Seldom have Canadians seen such an occurrence that so occupied the country's attention and so scarred the image of the massive C.B.C. operation.

Unfortunately, press, radio and television supported the producers at first, but management of C.B.C. was given its right to manage and Mr. Leiterman, Mr. Watson and Mr. LaPierre left for politics and other fields. I note that *Maclean's* magazine pictured Laurier LaPierre on a recent cover as Canada's first socialist prime minister. May I ask this question: Did Mr. LaPierre's left wing politics start immediately after he left the C.B.C. or were Canadians who watched his program treated to a barrage of his thinking and ideas and the special ideas that his friends had? That program was supposed to be an objective but startling look at the world today. I think you know the answer, and I shall provide some specific evidence when we deal with the clauses of the bill.

A meeting of the broadcasting committee was held on June 27, 1966. Only twice had there been a larger attendance. We passed the following paragraph 21, amended to read as follows:

The committee deplores the manner in which public opinion was injected and drawn into the Seven Days crises by the producers. To prevent such incidents from becoming public issues in the future and to contain them within the C.B.C., it is imperative that a grievance procedure be set up in all centres of production. Grievances could thus be dealt with promptly and equitably, thereby preventing the dispute from becoming a matter of public controversy.

• (5:10 p.m.)

On only two occasions in 32 previous meetings of the standing committee had there been a better attendance, and this amendment was carried. The vote indicated majority criticism of the producers.

I was most concerned that at the last and much smaller meeting of the committee prior to the presentation of the report, this paragraph was ruled out by this minority, who refused to believe there was anything wrong

in the producers' set up. I note that the hon. member for Kenora-Rainy River got the impression from reading the committee's report that we had exonerated the producers, and that he took exception to our whitewash of the situation. May I assure him that the majority of the committee began to realize that all was not well in the C.B.C., and that the final report did not properly reflect the thinking of the majority.

We must make certain that this bill gives the new management of the C.B.C. a clear mandate to enforce a policy which is also clearly stated in the bill, and that the C.B.C. management, not the producers, are accountable and responsible for what comes out of the T.V. tube or over the air waves. This does not mean, nor should it mean, a continuing war between both sides of broadcasting, but what it does mean is that when management says "do" or "don't", producers "do" or "don't"—or leave the corporation. Of course producers and artists are sensitive people and must be worked with carefully so that their talents are brought to bear on suitable subject matter. But let me remind the producers that the listening audiences of Canada are also sensitive people, and they elect members to parliament to see that in certain respects their wishes are carried out.

Section 2 of the Broadcasting Act states in paragraph (i) that the national broadcasting service should be among other things, a balanced service of information. It is essential that members of this house and the country at large should understand how badly unbalanced a performance we have been given in certain areas of broadcasting. Let me say right away, however, that there has been a noticeable improvement since this fuss was made in parliament. But not enough. The nature of the problems Canada faces in its broadcasting system and the serious nature of these issues can only be evaluated when we understand the power of broadcasting itself.

This power of broadcasting was thus ably described by the British broadcasting committee of 1949 in a report to the British parliament:

> Broadcasting is the most persuasive, and therefore one of the most powerful agents for influencing men's thoughts and action, for giving them a picture, true or false, of their fellows of the world in which they live, for appealing to their intellect, their emotions and their appetites, for filling their minds with beauty or ugliness, ideas or idleness, laughter or care, love or hate.

[M. Stafford.]

Some of these problems are glaringly evident. Some time ago when Tom Gould resigned from the C.B.C. over the breach of good faith in using a story taken from a closed meeting at which the former leader of the opposition spoke, Dennis Braithwaite wrote in the *Globe and Mail*:

> Ton Gould's resignation in protest may seem a drastic step in the circumstances, but Gould has been dissatisfied with the C.B.C.'s Ottawa news set-up for some months and simply flipped over what he considered to be a final lapse of professionalism. What ails Gould anyhow? What, for that matter, ails Stan Burke and most of the other top commentators in C.B.C. television news?

I have been doing a little study on this matter and I think the writer has put his finger on the point—lack of professionalism in the journalistic area. And where does most of the trouble lie? It lies with our old friends in the public affairs field who try to usurp the news field and give Canadians twisted versions of the facts, or, as the parliamentary secretary to the Prime Minister stated earlier in this debate, try to influence us through the process of distortion by omission. The news editors, too, share in this criticism. For instance, some recent examples of the anti-American bias of a number of broadcasters is strongly and tragically apparent.

On November 17, 1967, probably as a result of pressure from very top management in C.B.C. and the influence of statements made in this house, television carried the entire news conference of President Johnson of the United States. Let me quote some of the press comment on the president's performance. The Montreal *Gazette* of November 18 describes him as being "self assured and unusually forceful in his first formal White House meeting with newsmen since August 18." The Ottawa *Citizen* of the same date commented: "It was like the L.B.J. of old—the master performer, cool, suave, in command." The Ottawa *Journal*, also of November 18, had this to say:

> The President was exuberant as he told the television press conference over-all progress is being made in the anti-communist war. Many observers regard his dynamic performance as a preview of his 1968 presidential election campaign.

The *Globe and Mail* of November 18 prints a headline across seven columns on page 1 reading: "The Real Johnson Stands up on T.V. and Draws Raves." The comment was:

> It appeared that Mr. Johnson had at last discovered how to be as effectively persuasive with a mass audience as with a private gathering.

By contrast here are the key words used in describing the president's performance by

our C.B.C. Washington correspondents immediately after the broadcast: "At last the attacks are getting to President Johnson", and "he is running scared."

I would call this deliberate anti-Americanism. Anti-Americanism is not a new phenomenon in C.B.C. and on Canadian television. I quote the following from an editorial which appeared in the Ottawa *Journal* on March 3, 1966:

The impression left by some reports—notably by some C.B.C. commentators—of the "great" U.S. debate over Viet Nam has been that President Johnson was a man beleaguered on all sides by dissenters from his policies...

What we have not always had is a proper perspective on these dissenting views. The implication was often left that these men represented widespread attitudes in the U.S. Congress (Senators Morse and Fulbright).

This week's votes—932 to 6 in the Senate and 392 to 4 in the House of Representatives—approving another $4.8 billion to finance more forces in southeast Asia should adjust the perspective.

It is significant that 41 per cent of those interviewed in a nation-wide poll approved the way in which Mr. Johnson is handling his job, a rise from 38 per cent recorded in the Gallup polls of September and October. I say this to hon. members: None of you saw this on C.B.C. from our Washington correspondent, but every time public opinion polls dropped against the president, James Minifie or his friends quickly made Canadians aware of the fact.

Even worse, the strong bias of some of the C.B.C. public affairs crew against the United States position in Viet Nam shows up time and time again. Tom Gould, who recently spent two years in Viet Nam, expressed his views at a faculty dinner speech reported in the Carleton University newspaper of November 17 as follows:

Today's prevalent anti-American feeling is caused by television, Gould said. Cameramen in Viet Nam are only photographing the sensational, even if it is irrelevant to the war effort. He told of one instance where a group of laughing marines were filmed setting fire to so-called South Vietnamese peasants' huts. People sitting back in the States nice and comfortable in their $35,000 homes, naturally think these fellows are savages. "Sure they are laughing" says Gould, "they were alive." A couple of hours later these same marines were almost wiped out—that was a Viet Cong village that they had destroyed. The television commentator neglected to mention this point, he said. With television, film coverage is a necessity; if there is no film clip to go with a story the story just doesn't get told. Gould urged the audience not to rely solely on television for their information on Viet Nam, but to also read newspapers, magazines and books on the subject.

Further on the article reads:

"The number of innocent people being killed by the Viet-Cong is far greater than the number being killed by the Americans", he said.

• (5:20 p.m.)

Later it states:

He also had criticism for the Chester Ronnings and other "self-appointed" Viet Nam experts. He explained, "I used to be intimidated by these people but when I returned from Viet Nam I realized how little they know.

Mr. Brewin: May I ask the hon. member a question? Is he associating himself with these remarks about Chester Ronning, a very distinguished Canadian diplomat?

Mr. Stafford: I am simply reading certain excerpts, and there are thousands, to show the bias and imbalance of these programs. I think this will be self-evident if the hon. member will listen for a moment or two.

I have here another serious area of concern—an area of blatant propaganda. I will read the key parts of the statement made by one Gerry Sperling over C.B.C. "Viewpoint" on November 27, 1967. Let me begin with a quote:

"Our every action is a battle cry against imperialism, and a battle hymn for the people's unity against the great enemy of mankind: the United States of America. Wherever death may surprise us, let it be welcome, provided that other men intone the funeral dirge with the staccato singing of the machine guns and new battle cries of war and victory."

This is the concluding paragraph of Ernesto Che Guevara's last published work, his message to the tri-continental congress. It is clear that Che's attitude towards revolution in Latin America has also been the attitude of the Cuban government...Cuba says—and I must say I agree—that the only way to change this situation is through violent revolution. The entire rotten social structure must be overturned and in its place states must be set up on the Cuban models.

Further on he says:

The Cubans believe, as I have said that these changes can only be brought about by violent revolution. Dedicated guerillas such as Guevarra will be the trailblazers.

And again:

The United States' puny efforts on behalf of social reform through the Alliance for Progress and its hysterical reaction to the possibility of a mildly reformist regime in Santo Domingo has convinced Cuban and other Latin American revolutionaries that no meaningful change can be brought about in Latin America through peaceful democratic means.

Cuba will support revolutionary movements in Latin America morally, materially, and by example.

Then further down it says:

> Fidel Castro has made this abundantly clear in his eulogy to Che: "They are mistaken", said Fidel "when they think that his death is the end of his theses. Che's political and revolutionary thinking will be of permanent value in the Cuban revolutionary process and in the Latin American revolutionary process".
>
> So says Fidel Castro, and I believe policy will not change because there is no alternative. Once you become committed to radical social change in Latin America, the only course of action open to you is violent revolution.

I note that a question has been raised by the hon. member for Villeneuve addressed to the hon. member for Essex East about the French Canadian students who have been secretly going to Cuba for alleged revolutionary training. We need to know if Cuba considers Quebec to be Latin-American in the same way as this C.B.C. program describes, and is a target for Cuban-style revolution—and we need to be very certain that no help for such an effort comes from the C.B.C. The C.B.C. public affairs programs also rushes to expose Canadians to all those teach-ins which end up giving strong support to anti-Americanism, but you do not see them searching out men to give the other side for balance.

Two years ago we were saturated by C.B.C. public affairs programs, with a vast documentary done by Patrick Watson and his allies on the wondrous advances being made by Red China. I have not noticed the rush of these same producers to give us another vast documentary on the tragic terrorism of the Red Guard which has engulfed China. Why have they not been interviewing the thousands of refugees who have fled the terror of that upside down world into Hong Kong, Formosa and elsewhere? Why have they not sent a camera crew up to the Northern borders of India where almost every week the Chinese army conducts raids into India? And, even more important, why have we not had from Patrick Watson and his friends a full documentary on the rape of Tibet—which still goes on—and which they conveniently left out of their China documentary? Tens of thousands of Tibetans have escaped, and do so daily—and now live next door to starvation in northern India.

Canadians need to know the full truth from the C.B.C. To add further fuel to the fire, let us examine how accurate a picture we are getting on the serious racial problem in the United States. We have been deluged with one-sided views of the American racial issue on the C.B.C. The much advertised one-hour presentation a few weeks ago on American police preparation for riot control was a clear endeavour to create an anti-U.S. atmosphere. Then again, a veritable orgy of hate came over our T.V. screens when on September 24th this year the program "The Way It Is" interviewed extremist negroes.

Why do we never see the other side of the story—the very extensive improvements which have been made in a number of areas in race relations across the border? This year for example, on American television on November 15 came an excellent presentation of a successful desegregation experiment at the elementary school level in Evanston, Illinois. The vast majority of schools in the United States have been integrated. But this great success story is never told to Canadians. Why have we not been told that in western Europe only 8 per cent of all its youth enter university, but 15 per cent of all United States negro youths enter university. And there are many more statistics of this kind. You have heard Rap Brown, Stokely Carmichael and other extremist negro leaders interviewed over C.B.C. Why have we not heard the moderate majority leaders over C.B.C.?

And last but not least, I have a statement by Rev. Garth Hunt, dated Ottawa, December 17, 1967. Rev. Garth Hunt is a Canadian missionary, who has been in South Viet Nam for ten years and was back in Canada for five months prior to his return to South Viet Nam. He knows the country intimately, facilitated by his excellent working knowledge of the Vietnamese language. This devoted Canadian missionary has been travelling across the continent on a speaking engagement since his return, and was interviewed numerous times by commentators on T.V. and radio in different Canadian cities regarding his experience in Viet Nam. I met him in Viet Nam last summer. He has given me this statement:

> The great bulk of the news and information about Viet Nam which I have heard and seen particularly on Canadian radio and T.V. programs since returning to this country, closely approximates the propaganda emanating from North Viet Nam. It is not only misleading, but a great deal of the time is in direct contradiction with the realities I saw and experienced myself during my ten years in South Viet Nam and especially during the past year when I covered more than 10,000 miles of that country examining the situation at close hand.
>
> Furthermore, many of the news commentators with whom I have appeared on my Canadian trip have, following the broadcast when I have

presented the facts from Viet Nam, asked this question—"Why are we not getting this other side of the story from C.B.C. news commentators and commentators"?—I can only come to this conclusion that Canadians are being misled by the news gathering and communications media in only getting one side of the story.

This act must be so clear in its mandate to the management of C.B.C. and the private stations that never again will Canadians be plagued with barefaced distortions and serious omissions over the air waves. If we are to play our part in shaping a workable world, we can only do so if we are given factual, balanced and fair presentations of news, information and viewpoints. Unbalanced presentations also lead to pressures on government that can be dangerous to the democratic system. Freedom is a precious jewel and it is our job to preserve it. This act is an important weapon in the continuing battle.

Mr. Patterson: May I ask the hon. member a question? To his knowledge has this Mr. Garth Hunt been asked to appear on the C.B.C. to present the other side of the story?

Mr. Stafford: I can find that out.

• (5:30 p.m.)

Mr. Sherman: Mr. Chairman, I listened with a great deal of interest to the contribution which has been made in this debate thus far. I might say that although my hon. friend from Elgin and I sit at almost diametrically opposite ends of the political spectrum there is no contribution to this debate which has been made to date in which I concur more heartily or with which I agree more fully. From time to time I have had the opportunity to discuss the question of C.B.C. news and public affairs coverage with the hon. member from Elgin. This has arisen as a consequence of our mutual interest in the subject and through our good fortune in having had an opportunity to travel to the Far East last spring together.

I wish to say at this point that I do not intend to subject members of this committee to repetition or tedium with regard to many of the points he raised. I think it might suffice if I were to say at this point, and let it go at that, sir, that he has stated what I believe is a very compelling and cogent case and one which should be of extreme concern to all thinking Canadians. It is one which certainly is of great concern to me and I know to many other members of this house on both sides of the Chair.

I have a good many suggestions and interpolations which I intend to inject into the examination of this legislation, as the examination exercise proceeds. When we reach the clause by clause study there are a number of suggestions I should like to make, and one or two amendments which I should like to propose. I appreciate, however, that at the moment we are deliberating in respect of clause 2 and I shall confine my remarks to the general coverage of that umbrella at this stage of the debate. In that regard may I say that I believe my colleague the hon. member for Acadia earlier today made an excellent case for control of C.B.C. programming decisions and decision making. He pointed out serious and in fact critical weaknesses in the proposed legislation. One portion which concerns me to a great extent is paragraph (d) of clause 2 which states that—

—the programming provided by the Canadian broadcasting system should be varied and comprehensive and should provide reasonable opportunity for the expression of conflicting views on matters of public controversy—

I think that this provision, sir, although philosophically one with which I can agree, is neither clinically nor mathematically strong enough, nor is it clinically or mathematically deserving of the endorsement of this committee in its present form. It pays mere lipservice to an idea. It does not go half far enough in laying down firm guide lines for control in the area of programming decision making, guide lines which I think are demonstrably necessary in C.B.C. broadcasting today as a consequence of the many controversies which have arisen in the past two years where public affairs programming, in particular of the C.B.C., is concerned. I believe the wording of that clause is simply the wording of a hollow pledge.

I should like to see a much more compelling safeguard against the one-sided coverage of controversial issues than that which is provided by the words in that paragraph. Later on in the deliberations I intend to move an amendment which contains wording which will meet my case and my point. The amendment will provide not only that programming by the Canadian broadcasting system be varied and comprehensive, and provide of course an opportunity for the expression of conflicting views on matters of public controversy, but also that responsible and balanced treatment of matters of public controversy should be guaranteed. It is not sufficient to say that we should provide only an opportunity for the expression of conflicting

views on matters of public controversy. That opportunity has been provided since the C.B.C. was created, but this has not made any difference in the programming of public affairs by the C.B.C. The fact that a C.B.C. station exists in a given area is sufficient proof of the provision of reasonable opportunity. All one need do is open a C.B.C. station and then it can be argued that a reasonable opportunity for the expression of these conflicting views has been provided. That is not good enough, sir. I think we have had ample demonstration of that, particularly during the last two years.

What we should like to see is a guarantee that conflicting views will be articulated so that issues and problems of public interest will be aired and examined in a balanced, fair, objective and impartial way so that we do not have just one side of a story, such as has been the case in respect of C.B.C. public affairs programming. This is one area therefore where I intend to move an amendment.

Another area which distinctly disturbs me is that covered by paragraph (h) of clause 2 which reads as follows:

> Where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail;

I know that my good friend and colleague from the broadcasting industry, the hon. member for Burin-Burgeo, who has made in this house a number of eloquent contributions to the cause of broadcasting since he entered the house, agrees with me in this regard. Perhaps I should put it the other way and say that I agree with him, because I believe he has carried the torch in the area I am discussing, and in respect of the argument I intend to put in the next few moments. He has already carried the torch, and I endorse his position and argument in support of it. In any event, we are agreed that that specific wording contains great danger and peril where private broadcasters are concerned for the future, sir. We know what the drafters of this legislation intended by that wording. We know that philosophically they are giving expression to a principle which, on one certain superficial level, I believe would find support from the majority of Canadians.

• (5:40 p.m.)

What the drafters of this legislation are trying to say, in the event of a national emergency or in the event that the public good or interest is at stake, is that the conflict shall be resolved in such a way that the objectives of the national broadcasting system shall take precedence over the interests of the private element of the Canadian broadcasting system. But, that is not what the paragraph says, although it may be what it means. It may be what the drafters of the legislation meant, but it is not what they say. Two days from now, two weeks from now and certainly two years from now all this debate will be forgotten, all the argument, all the exchange of views will be buried and forgotten; they will be part of ancient parliamentary history with regard to broadcasting. What will remain, like the laws of the Medes and the Persians, will be a codified, rigid, authoritative statement of policy in the sphere of broadcasting to which all parties to a conflict, including the arbiters of the conflict, will turn for the purposes of reaching a decision and coming to a conclusion.

What they will base their decision and conclusion on will be the words of the statute, not the arguments that had taken place in committee of the whole house or the broadcasting committee, not the free, moderate, temperate exchange of views between those of us on all sides of the chambers who are interested in this question. Their decision and conclusion will be based on the codified, rigid words that will be down in black and white, and will say for all time that—

> —where any conflict arises between the objectives of the national broadcasting service and the interests of the private element of the Canadian broadcasting system, the objectives of the national broadcasting service must prevail.

I submit that that is unCanadian, it is undemocratic and it is definitely not in the interests of the private enterprise tradition which has played an integral part in building this country and this continent. The objectives of the national broadcasting service can be very broad indeed when it comes to interpretation. What are the objectives of the national broadcasting service? It may be that should a dispute arise in my city or in the constituency of anybody in this chamber between a private company and the national system, with regard to an available television channel or an available radio frequency, the C.B.C. will be competing for that channel, that frequency, that location and that privilege of serving the public and contributing to the broadcasting industry, and in truth also making a profit if it is possible to make one.

In the context of a situation such as that, which is certainly common in twentieth century life, the objective of the national broadcasting service is to obtain that frequency or that channel, and the broad, philosophical, visionary concept that is embodied in this wording that was placed there by the drafters of the legislation, which by itself is intrinsically of great value and merit, would no longer exist.

The litigants in a case like that would not be talking about service to the Canadian nation, the idea of Canadianism, the concept of national unity and all the other philosophical arguments which the drafters of this legislation attempt to anticipate, but would be talking about the facts of life in the marketplace, dollars and cents, the right to operate, the right to serve a certain area, the right to obtain a certain frequency, channel or station where they are denied that right. The objective of the national broadcasting service in that context and that situation would be to obtain that frequency.

On the basis of the wording of this proposed legislation the private broadcaster has no opportunity for his case to be heard, no hope whatever of a fair adjudication and dispensation of the case, and no hope whatever of obtaining that available frequency or channel because it says right here in the codified legislation, among other things, that where any conflict arises, the objectives of the national broadcasting service must prevail.

So the decision is made for all time that you must not come, as a private broadcaster, into an area of competition with the Canadian Broadcasting Corporation for anything that could be interpreted or construed in any way as an objective, whether it be the obtaining of an available channel or frequency or a certain kind of esoteric service to the people of Canada as part of the exercise of nation building. Just don't bother if you are a private broadcaster, because it is stated definitively and conclusively for all time that it is the C.B.C. objective that shall take precedence, and the desire of the C.B.C. for that channel or frequency shall be the one that prevails.

So I am not happy with this clause and, as I suggested a few moments ago, neither is the hon. member for Burin-Burgeo who in my opinion knows more, and has demonstrated that he knows more, about broadcasting than anybody in this chamber at the present time. He raised the issue at the time we were examining these clauses in the broadcasting committee, and with my support. We got nowhere with our objection at that time; but I can assure the house that one of us will raise it again and he will have my support, and I hope the support of a great many members of this chamber. There is a serious oversight in the wording of this paragraph. The drafters of the legislation have not considered what will happen two years from now when conflict arises in the area of specific market ambitions.

So I intend, and I am joined by my colleagues in this party, to move an amendment to this paragraph when we come to it. The amendment will say, not that when such and such a conflict arises the objectives of the national broadcasting service must prevail, but that when such and such a conflict arises the general good of the viewing and listening public shall take precedence over all other considerations. I see no legitimate grounds on which anybody in this chamber could take exception to that kind of amendment.

I hesitate to anticipate the fate of the proposed amendment—I have been here long enough to know better—but I say at this juncture that if it is defeated it will disappoint me greatly. I think what the drafters were trying to do, the interests they were trying to protect, will be protected by an amendment which provides that the general good of the viewing and listening public shall take precedence. The right of the private entrepreneur will similarly be protected by eliminating the offensive wording in the legislation as it now stands, and to which I have already referred.

In the few minutes remaining to me may I also, since it is the Christmas season and many of us have paused to pay tribute to various members of the house this afternoon regardless of their political persuasion, say that I was distinctly impressed by the remarks of the hon. member for York-Humber who spoke in this debate a short time ago. I think he made a succinct and extremely vital contribution to the debate. I always listen with great interest to the hon. member and at no time was I more interested than during his contribution to this debate, because it is a subject that is close to my heart and close to my background.

• (5:50 p.m.)

I would say at this juncture that I think the position which the hon. member for

York-Humber has taken with regard to cable television is absolutely and emphatically the right one, the only honest one and the only legitimate one. This is a subject on which I have expressed myself in the past. I see no legitimacy, no democracy and no morality in discriminating against Canadians because of the particular area in which they live. I say that Canadians, no matter where they live in Canada, can read American newspapers and magazines, can go to American movies and can drive American cars, but if they live out of range of the United States connected microwave, a little too far north of the border, they cannot watch American television because it will corrupt them, and it is not Canadian to do that sort of thing. I say this is hypocrisy and poppycock. We have a great northern half of the continent to populate, to cultivate and to develop, and one of the little luxuries and comforts of life nowadays is television.

Television brings us many forms of entertainment, excitement and information, and if we want to encourage people to go to the northern part of our country, to dig for the riches of our northland and to develop the vast expanse of territory which lies fallow and ignored at the present time and on which our very future in this world depends —if we want people to go into these areas and to live under conditions of relative hardship, why should we deny them the one or two simple pleasures and luxuries which can be made available to them so easily through the system of communication which exists, or could exist, in this country linking us with the communications media in the United States?

I know the hon. member for York-Humber was talking about a slightly different matter when he spoke about people living in areas served at the present time by C.A.T.V., who made their choice as to what they want to watch by paying a fee. I am going a little further than that and saying that in the northland—and one does not need to go to the far north; he can go as far as the cities of Calgary or Edmonton, or indeed any city which is out of range of the United States connected microwave—the people cannot watch and be entertained by, and have the range of choice of, the same king of television entertainment as is available to those Canadians who live in Vancouver, Toronto, Montreal and even my own city of Winnipeg, which is served by one United States outlet.

[Mr. Sherman.]

This is discrimination and hypocrisy of a dangerous form. Why is it that when it is technically feasible, and when our Canadian brethren in all the major centres along the border are free to tune in to American television with great frequency and regularity, as is borne out by the ratings, a person in Calgary, Edmonton, McMurray, Churchill, Aklavik or anywhere in the north is denied the same opportunity?

So in sharing the position that the hon. member for York-Humber has taken, I go further geographically in my appeal for some kind of reasonable, fair and equitable approach by the Secretary of State and by the authorities in the C.B.C and the Canadian broadcasting system to all the other Canadians who are penalized by virtue of their place of habitation.

It has often been argued that if two Canadian channels are available in a given area, Canadians have the necessary choice and are given the necessary opportunity to express their preference. This kind of argument is semantical nonsense when examined in the light of the situation in areas served by C.A.T.V., such as have been mentioned by the hon. member for York-Humber this afternoon; because as he stated, the decision is made in very clear, articulate and unarguable fashion by the viewers in that area when they sign up for a C.A.T.V. subscription and pay their fee. That is the casting of the ballot. If the C.B.C. needed a clearer expression of choice or preference, I am sure the exercise would be purely academic because it is clearly stated, by viewers who subscribe to that service, that their preference is for variety and freedom of choice, not that they are going to watch United States entertainment all the time, but that they want to have the option and the choice in the swing of the dial.

There are a number of other areas on which I should like to comment at this stage of the debate, but I will not have the opportunity. I can see by the clock that I am down to the last minute and a half of my time in this sitting of the house, and under the orders that have been adopted for the Christmas recess I realize that I will not have an opportunity, nor will other hon. members, to speak on this subject until some time in January. At that time I will make some other suggestions and interpolations, and I intend to press for the two amendments to clause 2 that I have mentioned are being prepared by us.

At that time I intend also to take up the cudgels on the points which were raised earlier by the hon. member for Elgin concerning anti-American public affairs programming. I believe this is an extremely serious and critical problem which affects Canadian-American relations, which militates against Canadian-American progress, and social, economic and military progress in all forms. It is one that is demeaning to us as a nation and one that has reached a crisis point and must be controlled or eliminated before Canadian-American relations are damaged beyond repair.

Mr. Chairman, may I call it six o'clock?

The Chairman: Order, please. It being six o'clock and in order that the house may proceed to the consideration of private members business, shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

Mr. Speaker: It being six o'clock, the house will now proceed to the consideration of private members business as listed on today's order paper. As there are no "notices of motions (papers)" on today's order paper, the house will proceed to the consideration of private bills and public bills.

BUSINESS OF THE HOUSE

Mr. Churchill: Before this takes place, Mr. Speaker, may I interrupt to ask the house leader to resolve some of the rumours which have been going around the lobbies. Are we to continue until ten o'clock tonight or do we cease operations at 7 p.m.?

• (6:00 p.m.)

Mr. Choquette: We are here to work, so let us work.

Mr. Churchill: I am agreeable.

Mr. MacEachen: The proposal was to sit until seven o'clock and then move the adjournment until January 22. If the house deals quickly with the bill that will be called, we will move the adjournment immediately after dealing with that bill.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

PRIVATE BILLS

TRANS-CANADA PIPE LINES LIMITED

The house in committee on Bill No. S-26, respecting Trans-Canada Pipe Lines Limited—Mr. Olson—Mr. Batten in the chair.

On clause 1—*Capital stock.*

Mr. Olson: First, I should like to thank the house as well as the standing committee on transport and communications for the manner in which they have dealt with this bill. Inasmuch as the bill passed second reading without debate, I should like very briefly to outline its purpose. The main purpose is to increase the capital stock of Trans-Canada Pipe Lines Limited from 10 million shares to 25 million shares of common stock and from 1 million to 5 million shares of preferred stock. This will enable the company to do the financing necessary to meet its commitments to the government, as well as the gas users in eastern Canada, by building the loop of the pipe line, particularly through northern Ontario.

There are some other clauses, Mr. Chairman, that I would be happy to explain as we get to them. This is the main purpose of clause 1. In addition I have given an undertaking that I will move an amendment to clause 3, when we get to that clause. The purpose of the amendment will be to confine the powers and authority given to the company in clause 3 to the purposes of the company's undertaking. The reference here is to telecommunications and other things. There was a request that the amendment be added so the power could be limited to the purposes of the company's undertaking. I will move that amendment when we reach that clause.

Mr. Peters: Mr. Chairman, if the hour of adjournment were not so close, I would have something to say about Trans-Canada Pine Lines in general. However, I will forgo that privilege and merely say something about the capitalization. My knowledge of how this takes place is not too good, but it would appear that the capitalization will take place by the sale of shares. This is a worthwhile method of asking Canadians to again support a pipe line which has, over the years, been mainly sponsored by Canadians and is controlled by Canadians.

I would, however, be remiss if I did not point out that if this company had not made commitments in the United States through partnership in the Great Lakes Gas and

Transmission Line, which is going through the United States and back into southern Ontario, it would have had sufficient money from company operations to provide at least a portion of the money needed to construct this loop. There would have been no necessity to raise this capital. In looking over the statute setting up this company, I was interested to find that the company has some of the powers that were granted prior to the implementation of the National Energy Board Act. I note that clause 5 of the original act, which has not been changed, states:

> The company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of any general legislation which is enacted by parliament relating to pipe lines for the transmission and transportation of gas or oil or any liquid or gaseous products or by-products thereof.

I believe a clause of this type would be advantageous in some other pipe line bills that we have. In so far as the provision in the bill which would enable Trans-Canada to establish its communications system is concerned, we note that the sponsor of the bill is prepared to make the amendment which will impose a limitation on this company's operations. This part of the company's operations will therefore come under the National Energy Board and be controlled by that board.

I think there is a great deal more that could be said about the company and its operations in the past, most of which would not be complimentary. However, I believe all Canadians are of the opinion that the looping of the pipe line should take place so that developments at the head of the lakes and in the Sault Ste. Marie area could take place as soon as possible. These facilities are needed in the area at the present time. I am sure all who are concerned with the twinning of this line, as it is commonly called, understand that a large amount of gas will be provided majority of the committee began to realize for southern Ontario.

With these comments, I am reluctantly of the opinion that, in the interests of the development of this company, the recapitalization should be undertaken as soon as possible. I express the hope the company will be successful in its endeavour to maintain Canadian ownership and Canadian control in this process of recapitalization.

Clause agreed to.

Clause 2 agreed to.

[Mr. Peters.]

On clause 3—*1951 chapter 92, repeal.*

Mr. Olson: I have an amendment to move in connection with clause 3. It would be amended as follows:

> Clause 3 of Bill S-26, is amended by inserting the words:
>
> "for the purpose of its underaking" in line 39 on page 3 immediately following the words "communications systems" and by inserting the same words in line 44 on page 3 immediately following the words "communication facilities".

• (6:10 p.m.)

The Chairman: Perhaps I should suggest to the committee that some member other than the member for Medicine Hat would have to move this amendment.

Mr. Reid: I will move it, Mr. Chairman.

Amendment agreed to.

The Chairman: Shall clause 3 as amended carry?

Mr. Germa: Mr. Chairman, I should like to ask the sponsor of the bill what is the intent of the slight change in wording in line 29, which reads:

> —provided that the main pipe line or lines, either for the transmission and transportation of gas or oil—

And so on. The wording differs from that in the original act, which reads:

> —provided that the main transportation of gas or oil shall be located entirely within Canada;—

Could the hon. member explain the reason for this change in wording in clause 3?

Mr. Olson: Mr. Chairman, I did not quite follow the hon. member. Which word or words have been changed? I have not found the previous wording at this moment.

Mr. Germa: Starting at line 29 with the word "provided", the wording in the original act was:

> —provided that the main transportation of gas or oil shall be located entirely within Canada—

The clause now reads:

> —provided that the main pipe line or lines, either for the transmission and transportation of gas or oil shall be located entirely within Canada—

The words "pipe line or lines" are not in the original wording of the act.

Mr. Olson: The only explanation I can give for that, Mr. Chairman, is that there is an undertaking by the company that the main pipe line or lines shall be in Canada. When this bill is passed and the company completes construction, this will be the case.

Mr. Lewis: Mr. Chairman, perhaps on a point of order I might be able to help the hon. member for Medicine Hat. From memory I thought it was so and I have just looked at the statute. I think some words have been left out in the quotation from the statute in the explanatory notes. The statute does refer to "pipe line or lines", when it says:

—provided that the main line or lines, either for the transmission and transportation of gas or oil shall be located entirely within Canada;—

I do not think there has been any change in wording.

Mr. Olson: I was a little surprised, Mr. Chairman, because I was not aware of any change.

Mr. Lewis: There was no change. Words were left out.

Clause as amended agreed to.

Clauses 4 and 5 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Knowles: By leave, now.

Mr. Olson moved the third reading of the bill.

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

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, before moving the adjournment of the house I should like to take this opportunity to extend to Your Honour and to members of the house the very best wishes for the holiday and Christmas season. As house leader I should like to thank hon. members for the help and co-operation that has been extended in the management of the business of the house. I believe the house has worked efficiently and productively and that members are entitled to return to their constituencies with the feeling that they have really done an excellent job since we began the session.

Mr. Lewis: Shall we applaud ourselves?

Mr. MacEachen: Therefore, Mr. Speaker, I move, seconded by the hon. member for Westmorland (Mrs. Rideout):

That pursuant to the special order made Wednesday, December 20, 1967 the house do now adjourn until Monday, January 22, 1968.

Motion agreed to and the house adjourned at 6.21 p.m.